

EUROPEAN NEWS

STRASBOURG DISAPPOINTMENT AT U.K. VOTE

Firm direct elections date demanded

BY DAVID SUCHAN

IMMEDIATE disappointment by members of the European Parliament of last night's House of Commons vote on direct elections...

Commission officials said today that Mr. Jenkins would continue to honour his promise to treat the existing Parliament as if it were directly elected...

STATE OF LEGISLATION IN THE EIGHT

BELGIUM: Direct elections legislation presented to Parliament on December 2, 1977. Government proposal for three regional constituencies...

FRANCE: Legislation adopted without vote by National Assembly and Senate in June, 1977. Provides for national lists and right to vote for French nationals living outside France...

OECD to discuss young jobless

BY ROBERT MAUTHNER

LABOUR MINISTERS from the OECD member countries begin a two-day meeting here to-morrow to examine what steps can be taken to deal with the growing problem of youth unemployment...

believed the problem would remain serious for another five years even if the general level of unemployment was reduced...

COMPANY NOTICES

COMPAGNIE FINANCIERE DE PARIS ET DES PAYS-BAS. Capitalisation issue 1977. Issue of 2,208,000 new shares of FF.100 nominal.

ANGLO AMERICAN CORPORATION GROUP. TRANSVAL GOLD MINING COMPANIES. FINAL DIVIDENDS—FINANCIAL YEARS ENDING 31ST DECEMBER 1977.

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED. The directors of the Anglo American Corporation of South Africa Limited have decided that no dividend will be paid by this company for the year ending 31st October 1977.

CINEMAS. 1 & 2 SHAFTESBURY AVE. 8961. Sep. Perf. ALL SEATS \$10.00. 10.00. 10.00. 10.00.

W. German Cabinet confirms energy plans

By Adrian Dicks

THE WEST GERMAN Cabinet agreed today on a new series of energy-saving measures, several of which will work by raising consumers' bills...

Belgrade rejects Moscow protests on envoy's book

BY PAUL LENDVAI

THE YUGOSLAV Government has rejected two recent protests against the publication of a book by the memoirs of a Yugoslav envoy to Moscow...

Eanes given party views

BY DIANA SMITH

IN RESPONSE to an urgent appeal from President Eanes, the Socialist Prime Minister, Mario Soares, last week...

Menten jailed for 15 years

BY MICHAEL VAN OS

MR. PIETER Nicolaas Menten, the 79-year-old Dutch millionaire art collector, was here today sentenced to 15 years in jail for committing crimes in the second world war...

Banks finalise \$500m. Turkey credit

BY DAVID TONGE

AS TURKEY edges towards the currency "modification" demanded by the International Monetary Fund team now in Ankara...

W. German Cabinet confirms energy plans

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Textile orders decline in October

By Guy Hawtin

FRANKFURT, Dec. 14. WEST GERMANY'S recession-hit textile industry today reported a further fall in orders in October...

European Court rejects United Brands plea

BY A. H. HERMANN, LEGAL CORRESPONDENT

THE EUROPEAN Court has refused a request by United Brands, the U.S.-based food group, for the reopening of oral proceedings...

Soviet move away from growth output targets

BY DAVID SATTER

THE 1978 Soviet economic plan may reflect the ambiguity of an economy in transition. Having created a powerful industrial base, the USSR gives the impression of faltering—partly because it lacked the means of measuring and programming a new set of increasingly sophisticated economic goals...

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World Courier. London 01-629 0963. Amsterdam 020-629 0963. Brussels 02-767 3069. Paris 1-47 20 00 00.

Congressional attack on Japan minister over trade

BY DAVID BELL

WASHINGTON, Dec. 14. On a senior official said Mr. Ushiba had indicated that if the Japanese External Trade Minister, who is expected to visit Washington on Monday, he would be walking into a machine gun after the meeting.

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Laser N-fuel enrichment poses proliferation threat

BY DAVID HSHLOCK, SCIENCE EDITOR

A NEW method for enriching uranium has reached a stage of development where, according to U.S. reports, it could supplant the existing gaseous diffusion process. The singular achievement of the laser enrichment process is that it is possible to extract economically much more of the desired uranium isotope—uranium-235—from a given quantity of uranium ore, thereby significantly reducing the demand for uranium.

Warm uranium hexafluoride gas ("hex"), as used in the present commercial enrichment process, is blown through a nozzle at supersonic speeds and then into the laser beam. The most difficult step, experimentally, has proved to be getting the separating of the enriched or excited isotope from the great bulk of the uranium, more than 99 per cent.

Social Security Bill compromise

BY OUR OWN CORRESPONDENT

CONGRESSIONAL leaders this morning resolved a last minute problem that had delayed ratification of the important Social Security Bill.

The Bill, which would add 10% to payroll taxes over the next ten years and which is signed to restore solvency to the ailing social security system, is now probably to be voted on by the chambers to-morrow and to President Carter for his signature.

WASHINGTON, Dec. 14.

Senate, contained very strongly that this year's session had been one of the most successful in a long, long time. He thought the current deadlock over the energy bill was "a temporary setback at most" and characterized relations between the executive and legislative branches as "being marked by not antagonism, hostility or suspicion, but certainly by a certain respect."

Harrier plans 'postponed' Blumenthal warns on NYC deficit

WASHINGTON, Dec. 14.

THE U.S. Defence Secretary, Mr. Harold Brown, is expected to submit to President Carter, in a few days, a defence budget which would cut purchases by the Navy of F14 fighter aircraft, and drop plans for a new vertical take-off aircraft, the Harrier, for the Marines, at least temporarily, according to Pentagon sources.

BY JUREK MARTIN, U.S. EDITOR

NEW YORK city still has some way to go to put its financial house in order, and will have to assume the task with no more help than the state of New York can provide, according to Michael Blumenthal.

WASHINGTON, Dec. 14.

Mr. Blumenthal particularly regretted the failure of the city's attempt early last month to re-enter the short-term credit market, brought about when Moody's, the bond rating agency, gave the city its lowest possible rating.

Jenks & Cattell Limited

WOLVERHAMPTON
(Makers of Garden Tools, Steel Pressings, Washers and Hot Dip-Galvanizers)

Statement from Chairman, Arthur Chamberlain, M.C., T.D.

YEAR ENDING 31st JULY, 1977

- We achieved record sales of £7.5 (£5.8) million
- Export Sales £587,134 (£326,555) up 80%
- Profits before tax £440,757 (£264,643) up 55%
- Your directors recommended a bonus issue of one 25p ordinary share for every four held by shareholders

Falklands negotiations criticised

By Hugh O'Shaughnessy
BRITAIN should not hand over the Falkland Islands to the present Argentine military junta of Gen. Jorge Videla, but should insist on a restoration of constitutional government in Argentina.

6 ways British Airways could be making your company more competitive.

1 Concorde. As the network grows, supersonic flights are becoming more and more relevant to the businessman. You get there fresher, more alert, and you'll be at your destination hours ahead of the competition.

2 First Class. A business tool as well as a luxurious place to relax. Executives use First Class as an office. They arrive more alert. And prospective clients recognise a First Class ticket as a gesture of confidence—both in your employee and, perhaps, even more importantly, in the business deal he is working on.

3 Executive Cabin. In most 747s, a special section in Economy is set aside for full fare passengers. It's a quiet area for business executives to work and relax, free from distractions like films (though audio headsets are available). You get early service of food and drinks and, as you're near the main exit door, early disembarkation. And there are lots of business publications, for you to read.

4 The Business Package. This a flexible, sophisticated version of the money-saving package holiday concept. It uses British Airways scheduled flights and quality hotels. You'll be able to travel more often on the same budget; to make repeat trips, open up new markets, and get extra insights into world business. Special deals are built around trade fairs and exhibitions, and there are packages for incentive schemes, study tours—anything your business needs.

5 International Business Services. Here are just a few of the specialist services we offer the business traveller: full conference room, mail, telex and telephone facilities in ten cities; Executive Currency Packs for tipping and taxis; your business card printed in Japanese; helicopter hire and Air Taxi service.

6 Conference Service. Use British Airways' vast international experience to match the facilities of the world to your special needs. We can help save you money travelling to an existing convention, or help you plan your own conference. For large or small groups, we can advise on cost-saving packages and ideal locations.

See your local Travel Agent or call us at 01-370 4255. British Airways has what it takes to give your company a keen competitive edge in international business.

Fly the flag, feel at home.

COMPANY NOTICES

CANADIAN PACIFIC LIMITED
(Incorporated in Canada)

NOTICE IS HEREBY GIVEN that the TRANSFER BOOKS relative to the shares of the above-named company will be closed from the 15th January 1978 to 24th January 1978, inclusive, for the preparation of Dividend Warrants payable on 28th January 1978.

LEGAL NOTICES

IN THE MATTER OF THE COMPANIES ACT AND IN THE MATTER OF THE COMPANIES (WINDING UP) ACT, 1949.

Brazil plutonium

Brazil has agreed to supervision by the International Atomic Energy Agency of plutonium on order from the Dutch-British-West German consortium Urenco, the Dutch foreign ministry said, AP/DJ reports from the Hague.

Barbados takes bank

The Barbados Government and the Bank of America have agreed to the nationalisation of the bank's operations in Barbados early next year, AP/DJ reports from Bridgetown.

Belize talks

The Premier of Belize, Mr. George Price, has flown to New York to meet the British Foreign Office Minister, Mr. Ted Rowlands, and discuss the status of Belize. It should take over the British colony of Belize, UPI reports from Belize City.

ART GALLERIES

AGNEW GALLERY, 43, Old Bond Street, London, W1, 10.30-5.30. Mon-Fri. 11.00-5.30. Thurs. 11.00-7.00.

ANNAPOLIS & GARY WIDMELL, 10, Old Bond Street, London, W1, 10.30-5.30. Mon-Fri. 11.00-5.30. Thurs. 11.00-7.00.

COVENY GARDEN GALLERY CHRISTMAS, 10, Old Bond Street, London, W1, 10.30-5.30. Mon-Fri. 11.00-5.30. Thurs. 11.00-7.00.

OVERSEAS NEWS

Egypt and Israel remain far apart as talks open

BY OUR FOREIGN STAFF

DIRECT talks between Egyptian and Israeli representatives in Cairo... The conference was being held amid stringent security precautions at the Mena House Hotel...

Further hardening of Syrian line on Sadat, U.S. expected

BY IHSAN HIJAZI

BEIRUT, Dec. 14

A REAPPRAISAL of Syrian policy currently under way is expected to produce a harder line on the Middle East question against President Sadat and the U.S. and closer co-operation with Israel...

Rhodesian leaders meet again

MR. IAN SMITH, the Rhodesian Prime Minister, and three black leaders held a fresh round of talks today on the task of devising a system of safeguards for whites remaining in the country under majority rule...

Iran price rises slow

By Andrew Whitely

TEHRAN, Dec. 14

IRAN'S cost-of-living index rose by only 0.2 per cent last month, after seasonal adjustments, the lowest increase for two years...

Zia on mission to China

BY SIMON HENDERSON

ISLAMABAD, Dec. 14

GENERAL ZIA-UL-HAQ, Pakistan's military ruler, flew to China this morning on a five-day informal visit. He was accompanied by a strong delegation...

Clumsy divorce for Malay rulers

BY WONG SULONG

KUALA LUMPUR, Dec. 14

FOR ALL practical purposes, the fragile partnership between the two dominant Malay parties in Malaysia's ruling coalition, is dead. But unlike Malay divorces, which are often sealed in irrational haste, neither of the Malay partners is, in this case, willing to make the final break...

Barclays S. Africa bond sale

By Quentin Peet

JOHANNESBURG, Dec. 14

BARCLAYS NATIONAL BANK, the South African subsidiary of the British bank, announced here today that it is to sell its controversial R10m (£6.6m) holding of South African defence bonds tomorrow—the first possible redemption day...

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WORLD TRADE NEWS

W. Germans win £125m. Soviet steelworks order

BY GUY HAWTHORN

FRANKFURT, Dec. 14

TWO WEST GERMAN concerns have landed a major contract which will play a large role in the development of the huge Russian Korsk iron ore field. The deal is worth a total of DM500m. (about £125m.)...

Metallgesellschaft earlier this week reported that Lurgi's bookings had declined somewhat this year as a result of the recession in the West. Furthermore, it is understood that Lurgi's share of the contract, at least, will be paid for in cash...

EEC to discuss shipping code

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

BRUSSELS, Dec. 14

NEW COMPROMISE proposals aimed at bridging the longstanding differences between EEC governments over the United Nations code of conduct for liner conferences, have been drawn up by the European Commission and will be submitted to Transport Ministers when they meet here early next week...

But strong reservations have been expressed by Britain, anxious to protect the sizeable cross trade business enjoyed by its national fleet from the threat of mandatory common carriage...

El Salvador arms sale in doubt

BY HUGH OSHAUGHNESSY

THE SALE OF £500,000 worth of armoured vehicles to the Central American republic of El Salvador may be reconsidered in the light of the pulchritudinal situation in that country...

in the Lords last Thursday and the Commons on Monday. Opponents of the sale have pointed out the danger of the vehicles being used against the British Central American colony of Belize by the Salvadoran army...

\$C6bn. Canada pipeline plan

BY JAMES SCOTT

TORONTO, Dec. 14

THE Polar Gas pipeline consortium said it will apply to Canada's National Energy Board by the end of this month to build a 2,500-mile natural gas pipeline from Melville Island in the Arctic to Longlac in north-western Ontario, about 1,000 miles north-west of Toronto...

cial Government agency, Tennessee Oil, Canada, a subsidiary of Tenneco Inc. of Houston, Texas, and Pacific Lighting and Gas of Los Angeles. The application will be made although Panarctic, the consortium leader, is far from certain that sufficient gas reserves to justify the line...

Japan order for Hymac

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

JAPAN has placed its first orders for the Nibbler concrete breakers which it is attached. The breakers were developed in the U.K. by Hymac in conjunction with the Building Research Institute and the Japanese equivalent, known as the Concrete Research Institute...

COMPANY NOTICES

OMRON PATENT ELECTRONICS CO. Advice has been received from Tokyo that payment of the 1977 tax liability for the year ended 30th September 1977...

Toshiba to build U.S. TV plant

TOKYO Shihaura Electric (Toshiba) has announced plans to become the 8th Japanese company to make colour television sets in the U.S. It is negotiating with the Tennessee State legislature to build a factory in Nashville to build a factory by the middle of next year...

Turkish road permits

The Department of Transport has announced that permits will be required for road haulage to and through Turkey with effect from January 1, 1978 in accordance with the terms of the road transport agreement recently signed with Turkey...

Guinness on draught in Australia

Draught Guinness is to be launched in Australia next March. Kenneth Gooding reports. The beer is to be sold by a joint venture company owned by the British group, Arthur Guinness, and Tooheys, the Sydney-based concern...

Riders weaken new MFA agreement

By David Egli

GENEVA, Dec. 14

A LAST-MINUTE agreement was reached here today for a four-year extension of the Multifibre Arrangement (MFA) which regulates some 840bn. or four-fifths of world trade in textiles and was due to expire at the end of the year...

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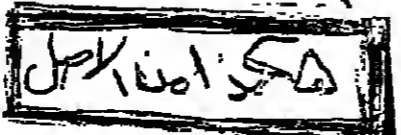
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Handwritten Arabic text in a box at the top right corner.

NEW GOVERNMENT REGULATIONS COULD STOP YOU BUYING AN AUDI 100.

This year, the Government changed the rules controlling the leasing of cars for business use.

So, at Audi, we no longer have to ask for 10 months charges in advance. In most cases, we're now able to settle for just three months. For example, you could drive off in a brand new Audi 100 automatic by paying us just £500.* (Which is less than half the initial payment on a normal HP scheme.)

From then on you can pay a monthly rental which can include all your maintenance costs.

You don't have to worry about depreciation, either.

And the entire cost of leasing can be set against tax. Which can halve the real cost to you or your firm.

We hope you'll take advantage of this new situation by sending us the coupon below.

After all, it's not every day a Government regulation lets you drive off with something worth £5,000 just by paying £500.



Our grateful thanks to the occupants.

I'm interested in leasing. Please send me details of the car(s) I've ticked. Audi 80 Audi 80 Estate Audi 100 Audi 100 Avant

Name _____ Position _____ Company _____

Address _____

Cut out and send the coupon to: Audi Leasing, Volkswagen (GB) Ltd, Volkswagen House, Brighton Road, Purley, Surrey.

*This cost is based on: Audi 100 LS Automatic £5,990. Figure also includes 40% buyback at 36 month stage. Terms quoted subject to acceptance by our leasing company, AUF Leasing.

HOME NEWS

Poor outlook for Concorde in Malaysia

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT, IN SINGAPORE

HOPES OF avoiding a disruption in Concorde supersonic services between London and Singapore appear to be fading because of Malaysian delays in settling talks on the future of those services. Contacts between the British negotiating team and Malaysian Government officials have been limited to diplomatic channels...

Businessmen 'subsidise other air travellers'

By Arthur Sandles

BRITAIN'S Air Users' Committee has lambasted airlines for forcing full fare-paying business travellers to subsidise both first class passengers and at least some holiday passengers. In its annual report the committee, funded by the State-backed Civil Aviation Authority, says airlines persist in charging what the traffic will bear on some routes and do not relate fares to costs.

Large profits

Our analysis suggests that the routes generate very large profits in spite of the higher cost levels in those countries. The report also criticises airlines for the lack of publicity given to the compensation scheme for overbooked passengers.

BANK OF ENGLAND BULLETIN • REPORTS BY MICHAEL BLANDEN AND PETER RIDDELL

Chance of more sustained expansion and no further rise in jobless

THE ECONOMY should grow fast enough in the next 12 months to prevent a further rise in unemployment, while the current account surplus should rise to £2.1bn, next year, says the Bulletin. The prospects are set out in the economic commentary and assessment of the latest Bank of England Quarterly Bulletin, published this morning.

Less growth

But the volume of imports is likely to rise considerably faster than the 2 to 3 per cent rise of the past year. The Bulletin therefore suggests that the growth of Gross Domestic Product during the next 12 months will be of the order of 3 per cent. That is slightly lower than the 3 1/2 per cent increase projected by the Treasury for the same period.

course of unemployment has recently been difficult to interpret, and it is possible that the very high level of unemployment in recent years has weakened the effectiveness of the seasonal adjustments. It suggests that an economic growth rate of the size it projects would probably be within the range needed to prevent unemployment, which has now been rising fairly continuously for four years, from rising further.

debt on a scale that is appreciable in relation to maturing repayment obligations. More generally, it is widely accepted that the benefits of North Sea oil should be used as far as possible for investment purposes so as to strengthen the economy. There is room both for more domestic investment and for acquiring assets abroad or repaying overseas debt.

re-create those conditions by not maintaining a position of surplus. The Bank points out that the improvement in the balance of payments this year, though partly due to North Sea oil, owes even more to other developments—in part lower import prices and in part the better competitive position.

to rise to substantial levels. In total, the current oil balance is likely to strengthen next year and again in 1979. But after that the contribution of North Sea oil to the current balance of payments, substantial as it will be, may rise only slowly. In the commentary, the Bank notes that since the second half of 1975 the proportion of the rise in prices which has been represented by labour costs has been smaller than their share of total costs.

Crown Agents win property loan appeal

AN ALLEGATION that the Crown Agents agreed to postpone indefinitely repayment of a £2.5m. loan to a property company was rejected by the Court of Appeal yesterday. The court had been told that after the loan to Murrayfields Securities had been agreed in December, 1973, the company discovered that it was between £700,000 and £900,000 more than needed.

North-West chief named for NEB

Financial Times Reporter

MR. BOB DICKINSON, former managing director of SPK (U.K.), has been appointed chairman of the new North-West Regional Board of the National Enterprise Board. But he will serve only until the deputy chairman of the NEB is named.

Surplus on invisibles likely to fall despite service earnings

A DECLINE in the net surplus on invisibles is likely to occur during the next few years, according to an article in the Bulletin. The relative importance and structure of invisibles is discussed together with the prospects, particularly in the light of North Sea oil factors.

The Bank notes: "Although the North Sea programme is the major foreseeable influence on invisible earnings for the next few years, it may to some extent be counter-balanced by improvements elsewhere in the account. In particular, earnings from services may continue to increase faster than payments.

Before 1973 (and particularly between 1969 and 1973) invisible receipts grew faster than those from exports of goods (increasing 4.7 times from 1955, compared with 3.9). Since 1973 the pattern has changed: invisible receipts have risen by 89 per cent, while exports of goods have more than doubled.

Pace of advance depends on cutting inflation

FIRM CONTROL will have to be exercised over the rate of growth of the money stock in order to help bring inflation under control, emphasises the Bulletin. At present, the Bank says, the decision at the end of October to allow the exchange rate to float removed the risk of further expansionary effects on the growth of sterling M3.

An important consideration, the Bank says, is that beyond a point it would be difficult to finance the increased Government borrowing requirement resulting from a more expansionary fiscal policy without either leading to excessive growth of the money stock or to a rise in interest rates. Sketching the background to the decision to allow the pound to float upwards, the bulletin points to the sharp acceleration in the rate of inflation since the wider definition (sterling M3) in the October banking

Steelmakers worried by prospects of 7% fall

BY ROY HODSON

A FALL OF up to 7 per cent in crude steel production is feared this year when final figures for both the private and public sectors of the British steel industry can be compared with those for 1976. The British Independent Steel Producers' Association, in its annual report published yesterday, forecasts that overall production for the year would total about 2.1m. tonnes—between 6.7 per cent, below the 1976 level.

Good prospects for motorcycle industry sales

THE OUTLOOK for sales of British motorcycles is encouraging overall despite an estimated 6 per cent fall this year, the Motorcycle Association of Great Britain said yesterday. Mr. Bob Liddell, the association's director, said: "We are full of confidence, and with various developments in hand, the next 12 months should see another record in sales."

Debt rises £10.5bn. in a year

THE NATIONAL DEBT increased by £10.5bn. over the 12-month period to last March to reach a total in nominal terms of £86bn., the Bulletin reports. The bulk of the rise was accounted for by market holdings, which, increased by £9.7bn., to £76.5bn. Total market holdings rose from £43.9bn. to £53.6bn.

Table showing Official and market holdings of national debt in £ millions, nominal. Columns include End-March 1976, End-March 1977, Percentage of market holding 1977, and Percentage of market holding. Rows include Official holdings, Market holdings, Government and government-guaranteed stocks, Treasury bills, Sterling non-marketable debt, National savings securities, Interest-free notes due to the IMF and IDA, Other, Foreign currency debt, IMF Euro-currency loans, North American government loans, Anglo-German Offset Agreement, Export-Import Bank of Washington, Total market holdings, and Total 3,451.

DCE and the money stock

Most of the increase in sterling M. in the three months to mid-October was the counterpart of external inflows.

Table showing DCE and the money stock in £ millions, seasonally adjusted. Columns include July, Oct. 76, Jan. 77, Apr. 77, July 77, Oct. 77. Rows include General government borrowing requirements, Net purchases (-) of central government debt by non-bank private sector, Other public sector, Bank lending in sterling to U.K. private sector, Overseas, Domestic credit expansion, External and foreign currency finance (increase -), Other, Sterling M., Percentage change in sterling M., M., Percentage change in M., Other public sector borrowing requirement, less purchases of other public sector debt by the private sector (other than banks), and Including commercial bills held by the Issue Department of the Bank of England.

Business law reform proposals

BY A. H. HERMANN, LEGAL CORRESPONDENT

CONSOLIDATION of laws to make the rights and duties of individuals and enterprises clearer and easier to establish could be speeded up if Ministers introduced the Bills proposed by the Law Commission and if Parliament was prepared to treat them as non-controversial, according to the Law Commission's annual report for 1976-77.

work load was also increased by the wave of restructuring legislation and by the boom in law reform originating in the reports from the Law Commission. During 1976-77, it added six final reports on law reform and two working papers published for consultation to the 79 reports and 70 working papers completed in the preceding 11 years.

Flow of oil surplus funds into U.K. banks shows marked slow-down

THE INFLOW of oil surplus funds into the U.K. slowed in the third quarter. Latest estimates by the Bank show that the total oil revenues of the oil exporting countries were virtually unchanged, while a further rise in their imports of goods and services brought another reduction to their current surplus and in funds available for investment.

not itself become a source of instability. "Perseverance with appropriate monetary restraint," the Bank comments, "should over time sustain an increasing moderation in the pace of inflation." The economic assessment stresses the need for fiscal and monetary policies to be decided as part of a single policy. In formulating new monetary targets for next year, the posture of monetary policy, while accommodating a moderate rate of economic expansion, must clearly be such as to take full account of the need for inflation to be reduced.

THE JOBS COLUMN

Challenge to industry • Finance head

BY MICHAEL DIXON

BRITISH industry is confronted this morning by a most unusual challenge. Does it contain a manager or trades unionist willing and able to succeed Sir Ronald McIntosh as director-general of the National Economic Development Office in London at a salary of £18,675?

The arrival of this job on the pen market to-day is unusual itself. The previous director-general has "emerged" from quiet consultations among the three major interests on NEDO's governing council—the government, the Trades Union Congress, and the Confederation of British Industry.

Until last month the next heir was also expected to emerge in the person of Mr. Bob Goldsmith, who would have seen the third successive director-general to have come from the Civil Service. But then the TUC insisted that, this time, it wanted someone from industry, and the Prime Minister agreed.

In and around Whitehall, however, there are whispers that perhaps a high-level academic with previous senior experience in industry and commerce might have to do instead. This is because, given the "frozen" salary, there are doubts that the opening will attract industrialists who evidently match the job description which, stated informally, boils down to just two words: "a paragon."

Since that doesn't give jobs Column readers much to go on, I rang up Sir Ronald and asked what he thought were the most important qualifications for the work.

First, he said, was the ability to provide effective leadership of NEDO's network of about 50 committees covering large and small sectors of industry, and made up of representatives of Government, management and unions, working on industrial strategy. (And while Sir Ronald did not say so, I gather that a minority of these committees are considered in need of a shake-up.) Because this leadership must be provided publicly as well as privately, well developed speaking and public relations skills are at a premium.

Second was "considerable political nous" for, at the same time as leading the committees and NEDO's 240 staff, the chief has to gain and keep the trust of the three major "shareholders" who have been known to disagree occasionally, perhaps about the right sort of background for a new director-general. Moreover, there will almost certainly be a general election during the newcomer's period of office.

"Whoever comes will have to know a lot of people in high places," Sir Ronald added, "and have a lot of stamina" because it's a fairly exacting job.

Age seems somewhat contentious. The tribunal which will draw up the short list—Sir Douglas Wass, permanent secretary of the Treasury; Mr. John Methven of the CBI; and Mr. Len Murray of the TUC—would like candidates to be under 50. But Sir Ronald, who will leave on December 31, thinks "this is a post in which the advantages of youth might prove to be over-valued," and he is not alone in this view.

Other abilities desired, by the way, are an understanding of national economic issues—through NEDO is currently far more concerned with micro than with macro-economics, and an appreciation of the office's performance so far.

In immediate support, the newcomer will have directors of four divisions: Economics; Industrial; Manpower and Industrial Relations; and Administrative. The present industrial division director, 41-year-old Mr. Bernard Asher, is to be acting chief until the new DG arrives, but he is not a candidate, because he wants to end his secondment to NEDO and return to the ITT group in the middle of next year.

One of the perks which particularly pleases Sir Ronald is what must surely be one of the best views in London, looking eastward over the Thames towards Parliament from 15 floors up in the Millbank Tower. But

the director-general cannot rely on Big Ben for the time except between 6.30 and 12.00, because Parliament's Victoria Tower gets in the way of the right hand side of the clock face.

Applications to Sir Douglas Wass at HM Treasury, Parliament Street, London S.W.1.

Complexity

THE FIRST time I heard the name Terence Fittcroft, was in 1950. It belonged to one of my fellow Kemsley travelling scholarship winners from Stockport visiting the Netherlands, where the said Fittcroft walked off with the most attractive girl in the group, Joan Rowland, who has since become Joan Bakewell.

The second time I heard it was yesterday, when Dr. Terence Fittcroft, group managing director of the Unicorn Industries abrasives concern, telephoned me about his need for a new group finance director. He was, of course, the same man.

He didn't have time to tell me how he got from Stockport to Unicorn's headquarters in Windsor, but he laid plenty of emphasis on the complexity of the job on offer. As well as dealing with the City on behalf of the group—whose pre-tax profit has risen from about £2m, four years ago to an ex-

pected £6m, to £7m, this year—the newcomer will head financial and management accounting not only centrally at Windsor, but in five separate divisions operating in 19 countries.

So there will be a good deal of travel for the recruit, and not only to Stafford, Basingstoke, Manchester and Tottenham where the group has its main U.K. operations. Indeed part of the salary—not quoted but I would estimate around £16,000—will be earned overseas.

"I'd put the age at about 35 to 40, or perhaps younger, and I think we'll have to specify a qualified accountant don't you?" said my rediscovered friend (I wasn't all that jealous, really).

He is also very keen for candidates to have experience of dealing in financial quarters and of managing in accounting operations embracing the U.K. and countries abroad. "And considerable energy" will be needed," I was told.

The perks will include a car, and a bonus based on increases in earnings per share. Written applications giving career details, should be sent to Dr. Fittcroft at Unicorn Industries, Castle Hill, Windsor, Berkshire, SL4 1LY. (I hope that I'll chance across him again before the next 27 years are over.)

The Jobs Column is now going on holiday until January 5

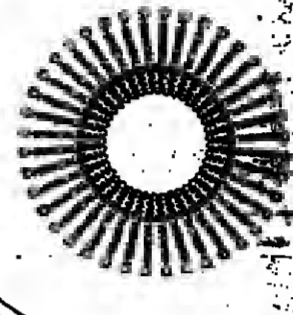
A career in Corporate Banking Marketing Officer - Birmingham

We are seeking a banker to join our Corporate Banking Group based in Birmingham. From this location, the successful man or woman will be responsible for marketing a wide range of financial facilities and services to a designated group of industrial organisations in the Midlands and North of England.

Ideally you should have credit appraisal experience and well developed marketing skills, possibly gained in another bank or similar financial organisation. An accounting or business degree background would be an advantage. Most importantly, you should be strongly self-motivated, willing to use initiative and rapid in learning new techniques. We are also looking for mature judgement and the ability to deal effectively with people.

This is a senior post and we are offering an appropriate salary and benefits which will be negotiable. Career prospects are excellent and there will be scope to advance into a broader management role in due course. The likely age range of applicants is expected to be 27-35.

We are arranging interviews in Birmingham and/or London. Please write to the first instance giving full details of your career to date and present salary to: Tony Smith, Head of Personnel Services, Chemical Bank, Chemical Bank House, 180 Strand, London WC2R 1ET. (Ref: DAM)



CHEMICAL BANK

Unicorn Industries

Group Finance Director

Unicorn Industries is a world leader in the technology of hard materials and abrasives. This strongly de-centralised Group which is co-ordinated from a small Head Office in Windsor has plants in some nineteen countries, and is looking for a Group Finance Director.

This is due to the resignation of the present job holder, Peter Welch who, we regret to say, is leaving to take up a similar role in a much larger company.

The successful candidate will need to have a broad mind which is capable of assimilating a considerable amount of information and reacting, where necessary, on both the "broad brush" and the detailed level, in addition to the usual appropriate accountancy qualifications and financial experience. The role will involve control of a sophisticated central finance team and highly competent divisional finance teams.

The appointee will need to have the stature, knowledge, drive, perception and high integrity necessary to help us achieve our next phase of forward development—which could take us from £70 million plus turnover per annum to £200 million within five years if we continue at the growth rate we have achieved since 1972.

This is a Main Board appointment of considerable consequence in a rapidly growing Public Company that has wide and complex international ramifications. The salary will be up to the requirements of the job, but will obviously depend upon the abilities of the individual.

Please reply in writing to: Dr. Terence Fittcroft
Group Chief Executive

Unicorn Industries Limited

Castle Hill House, Castle Hill, WINDSOR, Berkshire SL4 1LY

Group Finance and Administration Director

Transport Industry - £12,500 minimum

A multi-national, aggressive and highly successful transport organisation requires the services of an active enthusiastic director (full Board membership) to assume overall responsibility for the Group's financial and administration functions, as they relate to its UK activities.

This is a new position, as recent and proposed accelerated growth calls for an able executive who wishes to be deeply involved, and above all, vitally interested in his/her responsibilities and the activities of the Group. Areas involved are:

- Financial planning and control
- Standardisation of group reporting
- Rigid adherence to tight weekly reporting systems
- Control of data processing
- Cost investigation and control
- Management accounting - all its aspects
- Investigation and assessment of specific acquisitions and new business opportunities

The appointee will be responsible solely to the Managing Director and will work very closely to him. While the appointee will be London based, reasonable travel will be required throughout the UK and Eire. Ideally the successful applicant will be aged between 28 and 35 years. Commencing salary will be a minimum of £12,500 p.a. plus car and other benefits.

Applications, which will be treated as strictly confidential, should be accompanied by a recent photograph and provide full details of career to date. Those which do not comply with this request will not be considered. Please indicate any companies to which the advertising agency should not forward your application.

Write to: "Transport", Box No. A6174, The Financial Times, Brackley House, Cannon Street, London EC4.

Chief Accountant - Saudi Arabia

Construction Industry

Our Clients seek to appoint a Chief Accountant for their associated company in Jeddah

The Job
Holds responsibility for the entire accounting function of the company, including preparation of financial and management accounts for local and UK executives. The chief accountant is supported by a small staff.

The Man
Will hold a recognised accountancy qualification and, if possible, have previous experience in the construction industry. He will be single and enthusiastic about the challenge of working in the Middle East.

The Rewards
The financial package includes a salary of £10,000 p.a., free bachelor accommodation with meals and a car provided, and return fares to UK paid for two weeks mid-term and three weeks terminal leave. The initial contract will be for one year, renewable.

Write now, with full career details to: Mary Dickie, 186 City Road, London EC1V 2NU

01-251 1644

ROBSON RHODES

ENTREPRENEUR - ACA

Our client is a recently established subsidiary of an international investment group. It designs and sets up multi-million £ leisure projects.

The Chief Executive now wishes to appoint a young entrepreneurial ACA to advise him on all financial matters and to take control of the accounting function.

With its fascinating group connections, the company is expected to grow rapidly and to provide exciting career prospects.

Phone James Denholm FCA on 01-499 4877.

MANAGEMENT APPOINTMENTS LTD.
1 Abchurch Lane, London W.C.1.

First Class Opportunities available to qualified, student and experienced ACCOUNTING PERSONNEL.

Contact: Bob Miles or Brian Cognet on 01-428 2691

DRAKE ACCOUNTING

BUYING DIRECTOR

FOOD INDUSTRY

Our client is a leading company with major interests in food distribution. A vacancy exists at senior level for an executive with a proven record of achievement in buying, preferably with a major retailer, not necessarily in food, and capable of handling extremely large turnover.

The successful candidate will be of outstanding ability, but the appointment is an enviable one and provides an opportunity to make a final move in a progressive career. The company offers considerable support in management terms.

The post will be of interest to those currently earning up to £20,000 p.a.

If you feel you have the exacting qualities to fill this vacancy and earn the significant rewards - drop me a brief resume in complete confidence and I will set up a meeting and discuss if it would be in your interests to pursue this unique opportunity.

ERIC JAMESON
PERSONNEL SELECTION
Personnel Selection Limited,
46, Drury Lane, Soho, West Midlands B91 3BP
Telephone 031-705 7137

FINANCIAL CONTROLLER

£12-£14,000 p.a.

- Large International Engineering & Construction Company requires TOP LEVEL Financial Controller
- Reports and works closely with Group Managing Director
- 10 + years experience required
- Accounting
- Credit and Collections
- Computer Management
- Cost improvements
- Pension scheme
- Excellent benefits
- Currency exchange expertise required
- Some banking relationships will be assigned.

Applicant should be Chartered Accountant. May be man or woman.

Inquiries will be held highly confidentially.

Write Box A.6175, Financial Times, 10, Cannon Street, EC4P 4BY.

International Banking

Birmingham c.£15,000 + benefits

A major international bank is now extending its UK activities by opening a new branch to be located in Birmingham to service the West Midlands area.

A manager is required to establish and develop the branch which will concentrate on servicing industrial companies, particularly in connection with their overseas business.

The new branch is being treated by the bank as a development of great importance. The finest administrative and technical support will be provided, including a full on-line link to the UK head office computer in London.

Applicants in their 30's or early 40's, with a good knowledge of the West Midlands area, and having a proven record of successful business development in a bank or financial institution, should write in confidence, quoting reference B91/L to M.D. O'Mahony,

Peat, Marwick, Mitchell & Co., Management Consultants,
11 Ironmonger Lane,
London, EC2V 8AX.

STOCKBROKERS

Medium sized firm wishing to expand existing business and develop new connections would like to hear from those with experience in the following fields:—

- Institutional Sales
- Gilt Edged
- Fixed interest
- Members with sound Private Clientele
- Arbitrageurs with established connections

Attractive terms to be negotiated.

Please reply to Box No. 281, Streets Financial Limited, 62 Wilson Street, London, E.C.2.

Handwritten signature or scribble at the bottom of the page.

Personal Tax Adviser

c. £10,000

Shell International Petroleum Company Limited are looking for a Personal Tax Adviser to join them at Shell Centre near to Waterloo Station. You will work with a small unit responsible for advising a wide range of people, including senior management, on matters of personal tax (particularly where movement to or from the U.K. is concerned). After a period of familiarisation, the emphasis of your work will be on the more complex issues and on providing an advisory service to Group Companies on the personal tax implications of personnel policies. The position offers considerable scope and will require you to seek and maintain appropriate liaison with the Inland Revenue and with other senior tax advisers outside the Group.

In your mid-thirties to mid-forties you will be a Chartered Accountant or have another relevant qualification; and you will have had several years' recent experience with industry, a professional office or the Inland Revenue, advising on personal tax matters, preferably involving changes of residence and employee benefits. A thorough working knowledge of current law and practice relating to personal taxation in the U.K. is essential, together with the ability to interpret and apply new legislation. You must also be able to communicate your advice in terms intelligible to people not connected with financial affairs and to secure their co-operation in carrying out the appropriate course of action. In addition to the salary indicated (which could be higher if justified by your experience and background) fringe benefits are attractive. Where appropriate, assistance will be provided with relocation expenses. Please write giving full details of your qualifications and experience to:

Shell International Petroleum Company Limited, Recruitment Division (FT) PNE/L21, Shell Centre, London SE1 7NA.



HOTEL CHIEF ACCOUNTANT

Required for the 555 bedroom CENTRAL CITY HOTEL, Central St., London EC1.

This is a senior position requiring previous senior accounting experience (preferably within the Hotel industry). The person appointed will assume full responsibility for all hotel accounting services and will be expected to manage the accounting department in its entirety including the recruitment and supervision of accounting department personnel. A high salary commensurate with this important position is being offered.

Apply in writing to or telephone for evaluation form to:-

Mrs. D. Holmes, Head Office, P.O. Box 700, London W5 3HN. Tel: 01-992 5399.

AGEING CHAIRMAN

of hitherto successful manufacturing and service company with succession problems, seeks entrepreneurial type as managing director, aged fortynish, preferably not essentially able to back self-appraisal with own capital.

Share available. Turnover £500,000.00 plus excellent order-book, reputation, staff, and works. Based West Yorks. Detailed replies received confidentially. Write Box A.6184, Financial Times, 10, Cannon Street, EC4P 4BY.

SENIOR FINANCIAL MANAGEMENT HEAD OF INTERNAL AUDIT

A major British international group with a multi-million pound turnover and expanding overseas interests is making this new senior appointment to be based in Hong Kong.

Responsibility will include the strengthening and control of the internal auditing organisation in the Far East, the development of the group audit procedures in a computerised environment and the design and implementation of the audit programmes for subsidiaries in Hong Kong and Japan.

The requirement is for a chartered accountant with extensive experience and proven success in a similar role in a substantial international company. Knowledge of auditing techniques related to computerised systems is essential.

A FCA or CA aged 40-45 is required. Salary is well into five figures with generous overseas benefits including assisted housing and education.

Write in confidence to:
F. H. Scobie

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Thomas Cook

Group Treasurer

c. £12,500 per annum + car

The Thomas Cook Group Limited - a company in the Midland Bank Group - operates a worldwide travel and banking business in 30 countries with a turnover in the order of £2,000 million. A vacancy for Group Treasurer has arisen as the present officer has progressed to new responsibilities within another division.

This is a key position in a major and expanding international concern where effective cash management is recognised as being of the highest importance. The successful candidate will lead an established and well-qualified team; will be responsible to a Main Board Director for group cash and currency management; and will work closely with the Investment Manager.

Ideally, he/she will be a graduate and/or professionally qualified, aged between 30 and 40. Experience of international financial markets and of the management of foreign exchange risks is highly desirable.

Starting salary will be negotiable in the region of £12,500 per annum with car and other benefits provided. The location will be at the Group's new International Headquarters in Peterborough and normal removal assistance will be given.

Please write with a detailed career and personal history to:

R. Woodford, Group Personnel Director,
Thomas Cook Group Limited,
Thorpe Wood, Peterborough, PE3 6SB.



MAI is a young, dynamic and fast growing supplier of the Basic/Four computer-systems, which are achieving a growing reputation in Europe. The European activities are managed and coordinated from Holland.

In order to strengthen our management-team we are looking for a

director of finance Europe

His main tasks are:

- act as financial adviser in a staff capacity to the European Area Manager
- recommend and implement policies and procedures approved by Management for financial and operating control of European operations of MAI
- act as liaison with international headquarters and corporate headquarters in connection with European financing requirements
- develop techniques to:
 - implement advanced financial planning
 - minimize foreign exchange exposure
 - coordinate European cash mobilization of funds
- educate and instruct European country management in area of financial controls.

Requirements:

- Bachelors degree in finance, banking or economics
- MBA (or European equivalent) preferred
- accounting and analytical experience with significant exposure and experience in international business and foreign exchange management
- good knowledge of accounting and multinational accounting principles.

If this challenging and multi-aspect position interests you, please write enclosing a resume of your qualifications and experience to Mr. A.E. Snellink, European Area Manager.

MAI NEDERLAND B.V.,
Prof. J. H. Bavincklaan 5,
AMSTELVEEN,
Tel. 020-45 47 55.



DRAKE ACCOUNTING

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CORPORATE AND FINANCIAL MANAGEMENT

Up to £10,000 p.a. A Headquarters appointment of this major consumer group with worldwide trading interests and an active diversification programme. Active in the areas of research and development of Corporate accounting policy emphasis will be placed on the application of new techniques and financial accounting innovation. The requirement is for a Qualified Accountant, age to 35, with an established interest in financial reporting development. Ref: 197/7.

Apply by telephone or in writing to:
Ref: 221/C - Alexander Moore Ref: 197/T - Robert Mills

DRAKE ACCOUNTING
01-528 2691
80, Bishopsgate, E.C.2

EUROPEAN MERCHANDISE CONTROLLER

An exciting opportunity will exist, early in the new year, for a marketing/administration executive to join the European Management team of the International Photo/Leisure Group, Hanimex Corporation Limited.

The successful applicant, male or female, will assist senior European executives in product planning, product development and inventory control and operate out of both our Wiltshire Headquarters and our London Liaison Office.

The rewards, like the responsibilities, will be considerable, with salary around £12,000 p.a. as well as international fringe benefits.

This is clearly the opportunity of a lifetime to join one of today's most successful world-wide leisure product leaders with an excellent growth rate.

Application in writing for the attention of the Managing Director,

HANIMEX (U.K.) LTD.,
Hanimex House,
Dorcan, Swindon SN3 5HW, Wiltshire.

Financial Analyst KUWAIT

A major Kuwaiti trading organisation wish to appoint a Financial Analyst and assistant to the Investment Manager. He will be located in Kuwait with some travel. The company are, or will be, involved in long and short term investment of variable amounts in a wide variety of markets, including stock, gilts, bonds, property (world wide), leasing and purchase, development etc.

Investments currently under consideration include one of \$35,000,000.

The man, probably aged around 30, will hold a suitable qualification and be experienced at making reasoned judgments in this field. Free single or married accommodation and air fares are included in the package and the tax-free salary which is negotiable, will be well up to Kuwaiti standards and will certainly not deter the right applicant.

Please write in confidence, describing qualifications, experience and personal details to John Green at:

Maha Management Consultants Ltd.,
1 Devonshire Street,
London, W1N 1FX.

WINSTER ENGINEERING GROUP

Applications are invited for the position of

GROUP ACCOUNTANT

We have available the above position with the Winster Engineering Group. The successful applicant will be based at our head office in Ilkerton, Derbyshire, and aged between 35-45. His/her duties will include day-to-day control of our accounts department both at grass roots and Board level with emphasis on cash flow and new project expenditure.

We are looking for a person with a good commercial background. Experience in private industry is essential. It is necessary that applicants have the professional qualifications which this position demands.

SALARY NEGOTIABLE COMPANY CAR PENSION FUND AND THE USUAL FRINGE BENEFITS

Applications to Mr. J. R. Goff (Company Secretary)

6 Manor Road, New Milton, Hampshire.

ACCOUNTANT OR INVESTMENT ANALYST

Investment Management Company, which manages £120m., seeks a young Accountant or Investment Analyst who would like to gain experience of all aspects of fund management.

Please send full curriculum vitae to Box A.6183, Financial Times, 10, Cannon Street, EC4P 4BY.

APPOINTMENTS WANTED

22 YEARS OLD-13 YEARS BANKING & STOCKBROKING

Experienced, over three years in export finance and shipping whilst to return to work in the investment field or similar. Possess a 5.5 class. Please mention and to reports and accounts. Write Box A.6187, Financial Times, 10, Cannon Street, EC4P 4BY.

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FINANCIAL DIRECTOR
 £12,000 per annum plus
 (With Company Car and Generous Fringe Benefits)
 This aggressive and profitable company is seeking a Financial Director.

The Company:

- Employs over 3,000 people.
- Is a leading manufacturer of A.C. and D.C. Electric Motors and Control Equipment, Alternators for Diesel Engine and Turbine Drive, Diesel Electric Locomotives, Rail Traction Power Equipment and Control Gear.
- Is part of one of the major engineering Groups in the United Kingdom.

The person:

- Responsible for all aspects of financial control within the Company.
- Will be expected to make a positive contribution to the business as a whole and to its future direction.
- Must possess a strong costing and general accounting background.
- Must be able to contribute to the preparation of economic capital and revenue budgets and long-term planning.
- Must have had experience with computerised information systems.
- Must be appropriately qualified and have had several years' experience as Chief Accountant (or equivalent level appointment in a medium sized manufacturing organisation (preferably in the engineering industry).

Please apply initially with brief details of qualifications and career to:
MR. P. A. McCAIG, Personnel Director,
 Brush Electrical Machines Limited,
 Loughborough, Leicestershire.

APPOINTMENTS
ARE
CONTINUED
TODAY
ON
PAGE 28

HIGSON
PING

Management Accountant
Financial Accountant &
Management Trainees
for NIGERIA

GENEROUS REMUNERATION. Our client is The Nigerian Security Printing and Minting Company in Lagos. They are planning a major expansion and seek the following suitably qualified Nigerians.—

Management Accountant (Job ref. FT 10)
Financial Accountant (Job ref. FT 11)
 Candidates for these posts should hold professional accounting qualifications such as ACCA, ACA, ACMA or CPA. Academic qualifications such as B.Sc. (Accounting) or M.B.A. with relevant experience will be an added advantage.

Management Trainees (Job ref. FT 17)
 Applicants should hold good honours degrees in the social sciences or business administration; higher degrees such as M.B.A., M.Sc. with a minimum of 3 years' experience of administration in a manufacturing company will be an advantage.

Salaries are generous and negotiable. Fringe benefits include vehicle, rent and leave allowances, free medical treatment for staff and families, contributory provident fund scheme and whole life assurance for staff. Passages for successful candidates will be paid by the Company.

Application instructions: In the first instance write or telephone Higson Ping Ltd for an application form, indicating the post(s) for which you wish to be considered. Completed forms should be sent direct to the Personnel Manager, P.O. Box 3053, Lagos, Nigeria, to reach him no later than 15th January 1978. The dates and places of interview will be communicated to those selected for interview.

Higson Ping Ltd / Executive Recruitment
 110 Jermyn Street London SW1Y 6HB
 Telephone 01 930 4196 (24 hour answering service)

National Economic Development Office
DIRECTOR GENERAL

A man or woman of proven administrative ability is sought for appointment as Director General of the National Economic Development Office.

NEDO is an independent Office acting under the general direction of, and responsible to, the National Economic Development Council, of which the Director General is a member. The person appointed will be responsible for some 240 staff, and concerned with the organisation of the tripartite Economic Development Committees and Sector Working Parties, whose task is to improve the performance of their sectors as part of the industrial strategy; and will be the link between them and NEDC. The Office also carries out research and policy analyses and publishes papers on a wide range of economic issues. The post provides an opportunity for full involvement in the national debate on economic issues, and applicants must be capable of dealing with such issues in public speeches, at conferences, and in briefing the media.

Applicants should have extensive experience of commerce and industry, whether in the public or private sectors, and either in management or in trade union activities.

The appointment is pensionable and will be for a period to be agreed, with a possibility of re-appointment. The salary is equivalent to that of a Permanent Secretary in the Civil Service.

Applicants should write in confidence to the Permanent Secretary, H.M. Treasury, Parliament Street, London SW1, giving details of experience and qualifications.

NON-FOOD MERCHANDISE
CONTROLLER
Multi-£million Retailing Group

This top management appointment carries a starting salary of up to £17,000 p.a. It is for a person of 38-45 who will be directing national procurement policies over a broad non-food merchandise mix; setting and controlling in-store targets and developing disciplined and aggressive merchandising throughout a developing multi-store retailing complex.

He, or she, will have a strong management record from a non-food organisation of size. They must be able to define trading policies and have a flair for developing successful forward strategies which anticipate new trends and result in an increasing and profitable share of their non-food market sectors. The ideal background should have embraced an early period in store management, followed by varied buying controllerships which will have included as well as Car and other benefits are provided as well as relocation assistance to headquarters in northern England.

Please write in strict confidence to H. C. Holmes, Bull, Holmes (Management) Limited, 45 Albemarle Street, London W1X 3FE.

Bull Holmes
 PERSONNEL ADVISORS

Travenol develops, manufactures and markets a wide range of medical products, contributing to the growing resources of medical practices. The challenge to extend healing power further presents ever new opportunities to the field of medicine and its supporting health industries. Travenol's growth has been unusual. Our orientation to some of the fastest growing segments of steady expanding medical markets has helped produce consistent growth since more than 20 years in Europe. Actually Travenol is one of the world's leading companies in the medical field with manufacturing and marketing facilities in all major European countries. In order to support and maintain such a growth rate, we are looking for people for our European Headquarters located in Brussels.

finance analysts
 They will be responsible for coordination for specified subsidiaries of annual budget, profitability forecasts, projects and transfer pricing. The applicants must have a business degree and finance qualifications. Age between 25 and 28. Very good knowledge of English.

assistant to European controller
 The incumbent will primarily assist the Controller in the preparation of consolidated reports for Europe. He will participate in the implementation of a software package, based on a general ledgers system. A Business degree and 2 to 3 years experience in a related field is required. The candidate (age 25-30) must be fluent in English.

accounting and reporting system development analyst
 The basic function includes the responsibility for the development of a software system for general ledger to provide management reports. The applicants should have a business degree with 2-4 years experience of general accounting and software systems. A very good knowledge of English is a must.

assistant system development analyst
 The incumbent will primarily maintain the computerized general ledger system and assist the development analyst in his (her) job. The candidate should have a university degree with 1-3 years accounting or finance experience. He/she must have a good working knowledge of English.

Individuals looking for real career opportunities including attractive salary and benefits should send their curriculum vitae with a recent photograph in a confidential envelope to: Ph. Manford, Personnel Department.

TRAVENOL INTERNATIONAL SERVICES INC.
 chaussée de La Hulpe 130, 1050 Brussels (Belgium).

International Banker
Middle East/Africa

We wish to appoint an International banker to head the Middle East/Africa Area team in our Euro-currency Department. You will need to have had several years' experience in top level Euro-currency negotiations with governments and major international corporations.

Your major responsibility will be implementation of the Bank's strategy for the development of the Group's Euro-currency portfolio with emphasis on achieving Group targets in the Middle East and Africa. You will be a man or woman aged between 30 and 40 and will have language ability, preferably to include Arabic. Although not essential it would be an advantage if you have experience of the area.

The appointment, although based in London, will entail extensive travel. The salary is attractive and fringe benefits include company car and house mortgage assistance.

Applications will be treated in strict confidence and should be sent with full career details to:

Grindlay
Brandts
 Mr. T. C. H. Macafee, Manager,
 Recruitment, 36 Fenchurch Street,
 London EC3P 3AS.

Merchant Banking
Birmingham A.I.B. and A.C.A.

County Bank is the merchant bank of the National Westminster Bank Group with branches in Edinburgh, Leeds and Manchester. We are continuing to expand and will be opening a new Midlands office in Birmingham in March 1978.

The Midlands office will provide merchant banking services for both new and existing clients in the East and West Midlands and to assist the Management Team we wish to recruit 2 executives, male or female.

CHARTERED ACCOUNTANT
 Ideally you will be around 27 with one or two years post qualification experience and with an interest and experience in investigation work as well as auditing.

A.I.B.
 You are probably at present employed at senior grade 4/5 or junior appointed level in a clearing bank and have several years experience in charged securities and commercial lending.

This is an exciting opportunity to be part of a small professional team in a rapidly expanding merchant bank. Remuneration will be negotiable and competitive and terms of service will be attractive.

Interviews can be held in Birmingham or London, but in the first instance please send a detailed C.V. in confidence to,
David Woodward, Personnel Manager,
County Bank Limited,
Head Office,
 11, Old Broad Street, London EC2N 1BE.

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Vertical text on the left edge: THE

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geria



One face of capitalism that
has always proved acceptable.

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FINANCIAL TIMES SURVEY

Thursday December 15 1977

Italian Wines

As the world's largest producer of wine Italy has plenty for export. Among the EEC countries Britain has proved a rapidly expanding market, with sales rising almost tenfold since 1970 — helped by a quietly effective advertising campaign.

U.K. represented an untapped market for fine table wines before 1970. Then, however, the imports really began to flow. As a result Italy is on the point of passing Spain as the second largest supplier of wine to Britain and accounts for 16 per cent of total sales.

The statistics which illustrate the phenomenon are impressive. In 1970 the British consumed 1,000 gallons of Italian wine, roughly 3.5m. bottles. Last year sales had jumped to 6.25m. bottles, or 37.5m. bottles. The 7 performance will depend much on the Christmas season. After all, the wine and its traders do about 40 per cent of their total business in the period. However, there is a doubt that Italian table sales this year will top 7m. tons, equivalent to 42m. tons.

Progress

his progress has been made in both good times and bad. Since 1970 total wine production in the U.K. has more than doubled to around 14.2m. hectolitres. But growth stopped in its tracks after the Budget of 1975 when the Chancellor of the Exchequer piled on further increases, taking the duty on wine to 50p a bottle.

the volume of wine flowing to Britain from Italy, though not making the heavy gains seen earlier in the 1970s, continued a steady upward course.

on Italy's point of view it was important to take advantage of the potential in the U.K. One big market within the European Community not yet saturated and where demand for wine seems to have a long way to go before it is satisfied.

For Italy is the world's largest producer of wine. An average year would see wine production reach around 70m. hectolitres (roughly 1.5bn. gallons) although the 1977 total will probably be nearer 63m. hectolitres (1.4bn. gallons).

And wine production is not limited to one part of the country. The wine producing areas range from Val d'Aosta in the extreme north to Calabria in the southernmost toe of the Italian "boot".

Of course, wine is more important to some regions, particularly those like Emilia Romagna, Sicily and Tuscany which have not been industrialised.

The Italian Government estimates that some 2m. people are involved in wine production or distribution. But the country tends to consume most of the wine itself.

Out of the 70m. hectolitres of wine produced last year some 14.2m. hectolitres were exported. This means that the Italians drank eight out of every ten bottles their vineyards produced. However, Italy is one of the countries where wine drinking actually seems to be on the decline. In 1970 consumption reached 113.1 litres a head. Last year it had dropped to 99.7 litres, a change which has gone hand in hand with the drift of people from agriculture to industry.

(Apparently, drinking wine at lunch time is fine if you work in the open, but it has a tendency to make people sleepy when they work in a factory or some other industrial premises.)

As a result the Italians have been overtaken by the French as the world's major wine consumers. The French, in spite of a fall in wine consumption from 109.1 litres a head in 1970 to 101.3 litres last year, have

Italy has been substantially altered by the restructuring which has taken place. The small producers have been encouraged to join co-operatives and groups of co-operatives — there are now more than 600 in Italy — have joined together in "Consorzia."

This has had a profound effect on the quality and merchandising of their wines and has enabled Italy's skilled oenologists to improve and con-

functioning well and gave confidence to the U.K. shippers who were willing to back their development in Britain.

Meanwhile, in Britain the supermarkets and big grocery groups were becoming an increasingly important force in the take-home part of the wine and spirit business. The price and quality of Italian wine was just what they were looking for and there were a number of

Charrington Vintners, the brewing group's subsidiary, in 1974 for its Hirondele brand of table wine to Italy. This gradually took effect during 1974 and 1975 and had a dramatic impact on Italian wine figures for those years because Hirondele is the best selling brand of table wine in the U.K. According to Bass, the British are drinking nearly 12m. bottles of Hirondele each year. Bass also maintains that when the sales of its Italian wine division, Evans Marshall, are coupled with those of Hirondele, it accounts for a nearly half of all the Italian wine sold in the U.K.

Given that the switch by Hirondele was a once-and-for-all move (although in theory Bass could move the source of supply away from Italy any time it felt this would be commercially worthwhile) it does seem unlikely that the big percentage gains in volume apparent in the mid-1970s can be rounded this issue. It stems from the decision taken by Bass

for a particular brand of wine, the brewer feels he is insulated to some extent from the price cutting which has been a feature of the wine trade for some years.

Not only have well-established shippers of Italian wine been extremely price-competitive when offering their products to outlets like the supermarkets, but the publicity the Italian wine boom has received has attracted some fringe operators into the business. These people often discovered it was not so easy to make a quick financial killing and have been left with little alternative but to sell their wine at cost — or even below cost. Naturally this has had an unsettling effect on the price structure of the whole Italian wine market.

In spite of these reservations, the majority of wine shippers, be they big brewers or smaller private concerns, see Italian wines continuing to thrive in Britain and believe Italy will quickly overtake Spain as the second most important supplier, even though that country is now taking steps to improve its position in the U.K.

The major suppliers of wine to Britain, countries like France, Spain and Germany, seem unlikely to suffer extensively from Italy's penetration of the market. The main impact will almost certainly be on "third country" (non-EEC) wines which will not be able to compete with Italian value-for-money quality and prices while having to cope with Common Market tariff barriers.

Another aspect of this "image" problem is how Italy can promote an "identity" for such a proliferation of different wines. There are already 211 DOC wines and this number is certainly going to increase over the next few years. More and more different styles from various regions are being introduced to the British market at a rate which must confuse the customers.

In this context the reaction of the major brewers (which by some estimates account for six out of ten bottles of all types of wine sold in the U.K.) to this proliferation is significant.

Brands

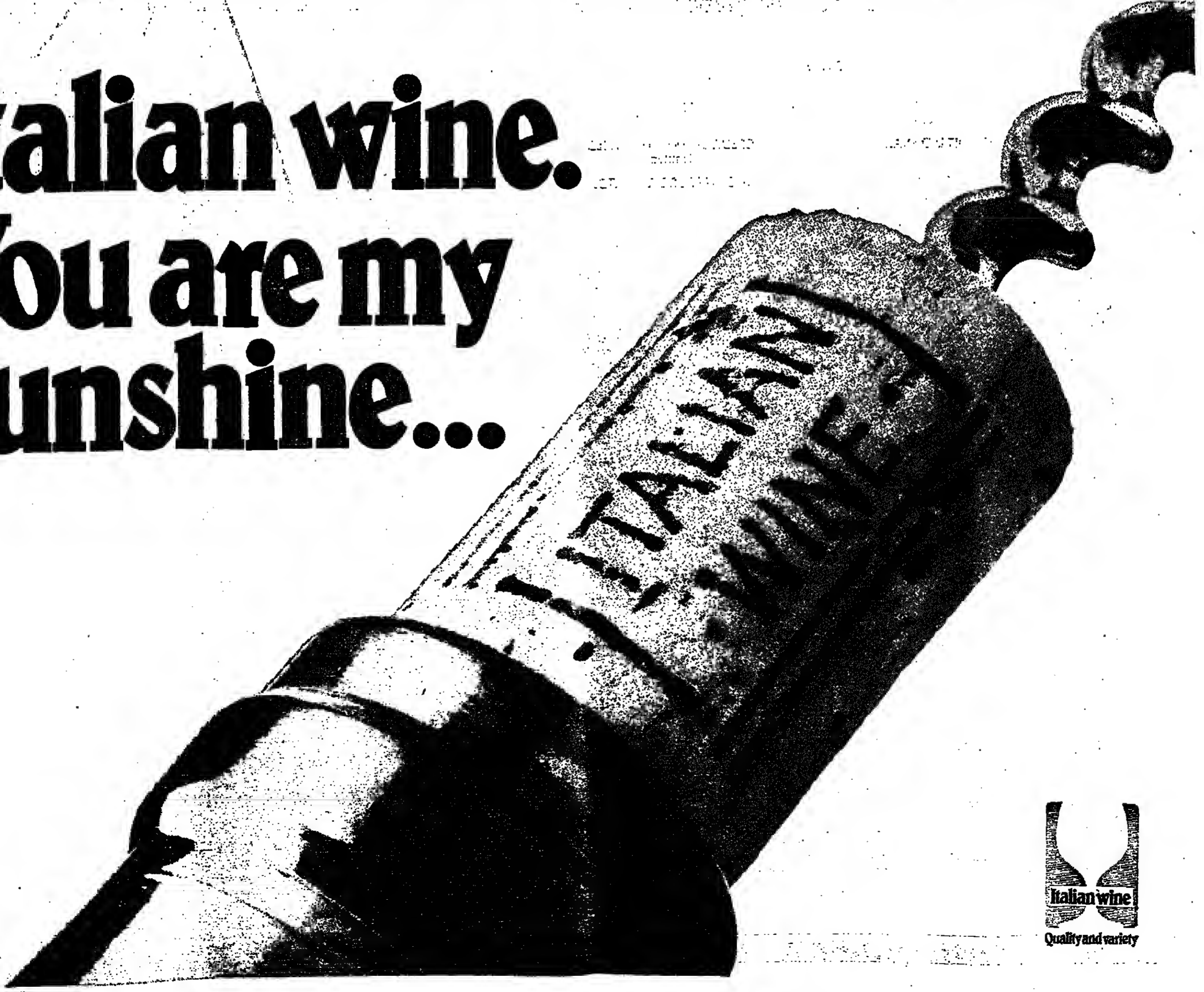
The brewers' wine divisions have preferred to develop brands of Italian wine, often ignoring such things as DOC and regional names. They argue this gives them a long-term stake in the market for Italian

Major success story

By Kenneth Gooding

Italian wine.

You are my sunshine...



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CASTLES
GREAT GASTRONOMICAL
TRADITIONS... BUT ALSO

THE LAND OF GREAT WINES



ASTI SPUMANTE AND NATURAL MOSCATO TO
FINISH A MEAL, BAROLO AND BARBARESCO
FOR NOBLE MEAT DISHES, BARBERA
FOR A RICH TABLE, DOLCETTO FOR
HIGHLY SEASONED DISHES, CORTESE
DI GAVI FOR FISH, GRIGNOLINO FOR
A GOOD START...



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Cerveteri Rosso	Marino	Velletri Bianco
Cesane del Piglio	Merlot di Aprilia	Velletri Rosso
Colli Albani	Montecompatri	Zagarolo
Colli Lanuvi	Olevano Romano	

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Drink Your way through these and you will do as the Romans do!.....

Sponsored by the
Regional Government of Latium, Department of Agriculture and Forestry.

ITALIAN WINES II



The heart of the Bolla vineyards at Valpoli cella in the Veneto region of Northern Italy.

Shippers share in success

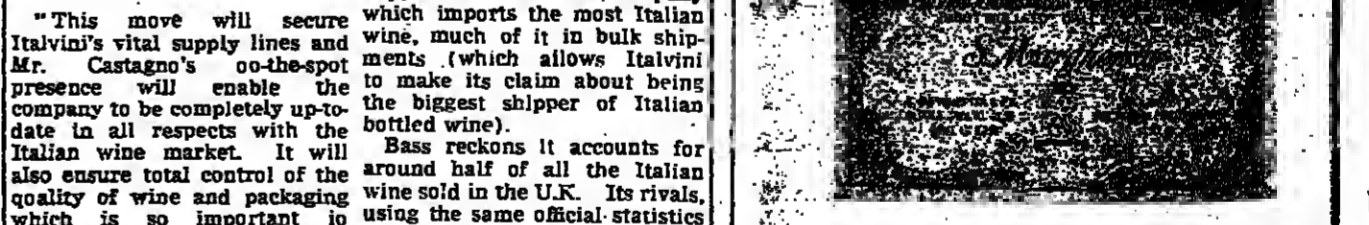
THERE ARE MORE than 70 shipper groups in Italy, each with its own brand of wine. The overall success of Italian wine in the U.K. has led to a rapid build-up of business for these groups. In 1976, the year of the recession, Italian wine sales in the U.K. rose by 15% over 1975. This was due to a combination of factors, including the fact that Italian wine is now being sold in the U.K. through a network of independent shippers, rather than through a few large importers. This has allowed smaller producers to reach the U.K. market more effectively. The success of Italian wine in the U.K. is also due to the fact that it is now being sold in a wider range of outlets, including supermarkets and specialist wine shops. This has helped to increase the visibility of Italian wine and to attract a larger number of consumers. The success of Italian wine in the U.K. is a testament to the quality and variety of the wine produced in Italy. It is also a testament to the efforts of the Italian wine shippers, who have worked hard to promote their products and to ensure that they are available to a wide range of consumers. The success of Italian wine in the U.K. is a source of pride for the Italian wine industry and a reflection of the high standards of wine production in Italy.

There is a good deal of friendly rivalry between Italian and Enotria and Mr. Nardone insists: "We will soon be number one." The rapid build-up of business came in 1989 and its success very much reflects the growing demand for Italian wines in Britain during the 1970s. Enotria is not the other company dealing solely in Italian wine because it recently added some German and Portuguese wines to its list. The distinction goes to another concern founded only five years ago, and by another Italian, Mr. Renato Trestini. The company bears his name. Like Mr. Nardone, Mr. Trestini is devoted to the idea of U.K. of the better-quality Italian wines. His wine list to be issued next January will offer 150 different Italian wines, many of them specialised wines for the growing number of connoisseurs of that country's varied products. For example, the list will include 18 different sorts of Barolo wines. Of course, it is difficult to justify in commercial terms having a broad range of fine Italian wines. Companies like Trestini are willing to provide such a service for other reasons but from the Schola Oenologica of the major shippers — and that Alba is also concerned with promoting the better-quality DOC wines, the Barolo, Barbaresco, Verdicchio and Chianti Classico wines for example. For that reason they have tended to restrict the numbers of Italian wines they handle and to concentrate in particular on the best Italian wines for which they can build up some kind of consumer franchise. Britalo's biggest brewer of beer, Bass Charrington, also happens to be the company which imports the most Italian wine, much of it in bulk shipments (which allows Italvini to make its claim about being the biggest shipper of Italian bottled wine). Bass reckons it accounts for around half of all the Italian wine sold in the U.K. Its rivals, using the same official statistics — clearances from bond and import figures — estimate it is more like 42 to 44 per cent. In any event, it is a huge chunk of the total market. Unofficial estimates put Bass's Italian wine turnover at £5m. Most of this wine is not sold

giving up the U.K. distribution of those brands to a new party set up by the owners and in which Bass has had a stake. Behind the proposal was a belief that Community legislation will alter the current wine distribution system where sole agents are appointed for individual countries. To counter this, Mr. Bass, until recently managing director of Bass and Butler, Bass's main subsidiary, suggested several jointly-owned companies which specialised against the difficulties of those with very broad portfolios. So the Italian wines were separated out to be handled by a separate Bass company, Evans Marshall. This concern now concentrates exclusively on the non-Hiron delle Italian wines which Bass handles. For some time earlier this year there was much speculation about Bass's involvement with the Italian wine brands. The group considered a scheme which would have involved it

secure Italvini's vital supply lines and Mr. Castagno's on-the-spot presence will enable the company to be completely up-to-date in all respects with the Italian wine market. It will also ensure total control of the quality of wine and packaging which is so important to Italvini's modus operandi," the company says. According to the latest accounts filed at Companies House in the year to June 30, 1976, Italvini's turnover was up from £2.12m. to £3.459m. Net assets were worth £231,367. The after-tax profit was £88,875 which, when added to the profit brought forward, left a retained surplus of £181,367. Italvini's big independent rival is Enotria Wines, founded in 1972 by the chairman (and one of the major shareholders) Mr. Remo Nardone. Enotria says its turnover for 1977 will be more than £5m. The latest accounts to be filed are for the 15 months to December 31, 1976 and show the company's turnover for that period was £2.52m. There was a £2,133 loss after tax (compared with a £9,404 profit in the previous year) and the balance carried forward was £34,878. Net assets were worth £74,647. Mr. Nardone, who was born in Italy and knows the wine market there, also has experience of the U.K. wine shipping business having worked in the past for F. S. Matta, Beecham's wine and spirit subsidiary, and Bass Charrington Winemakers. He

One of Italy's treasures
shortly in U.K.



Cantine S. Margherita
Portogruaro - Venezia

CONSORZIO COOPERATIVE RIUNITE D'ABRUZZO DI ORTONA

<p>CERASUOLO MONTPELLIGRO D'ABRUZZO</p>	<p>TREBBIANO D'ABRUZZO</p>	<p>MONTEPULCIANO D'ABRUZZO</p>
<p>CONSORZIO COOPERATIVE RIUNITE D'ABRUZZO s.r.l.</p>	<p>CONSORZIO COOPERATIVE RIUNITE D'ABRUZZO s.r.l.</p>	<p>CONSORZIO COOPERATIVE RIUNITE D'ABRUZZO s.r.l.</p>

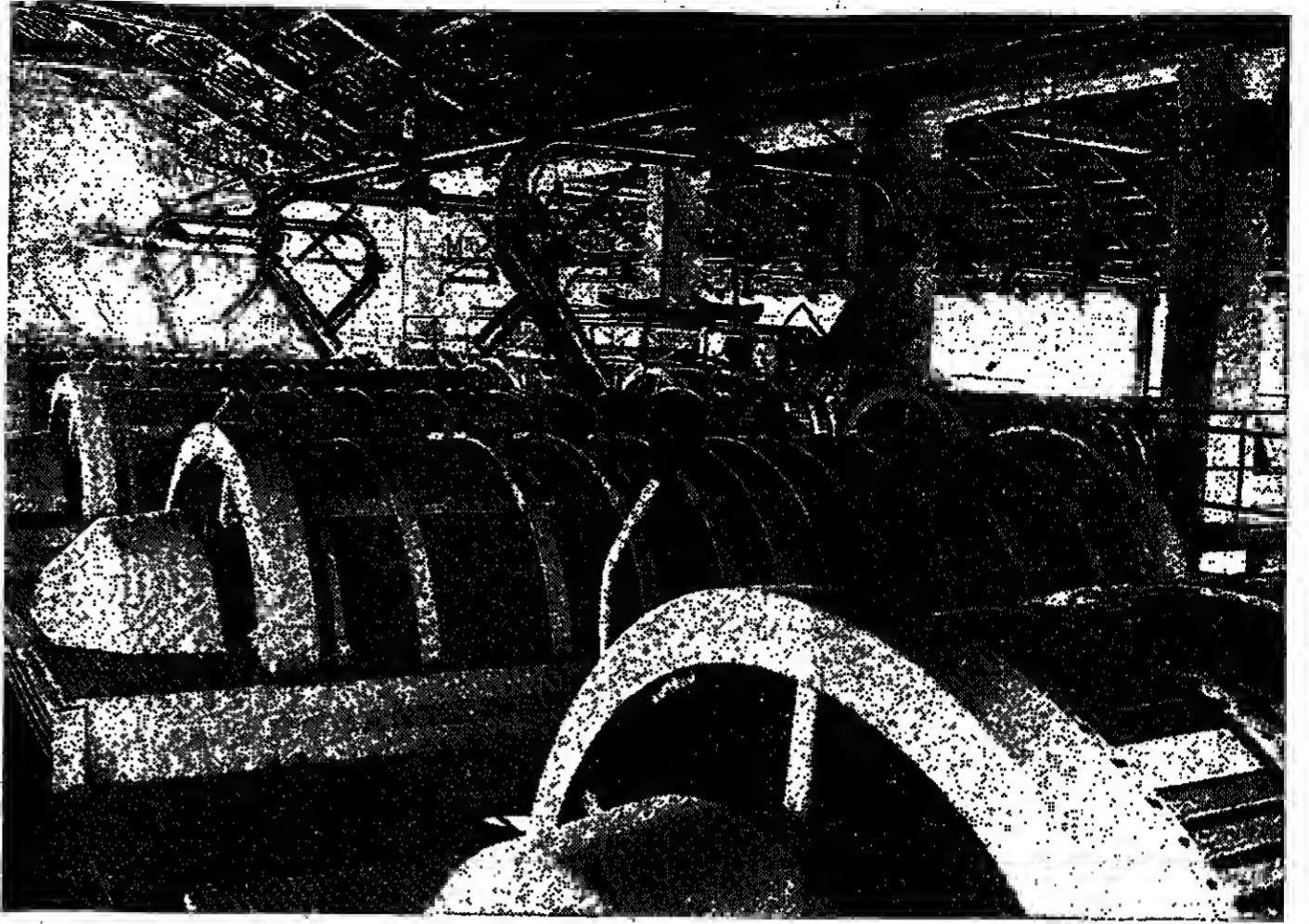
OBJECTS AND AIMS: TO PROMOTE AND DEFEND THE INTERESTS OF THE PRODUCERS AND TO IMPROVE THE QUALITY OF THE WINE.

J.P. N. P. L.

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ITALIAN WINES III

High quality wine on the increase



Some of the world's most modern presses are installed at Gancia.

There are now 188 Denominazione di Origine Controllate (DOC) Italian wines—and more in the way. They range from the Aosta Valley in the north to the borders of Austria and Yugoslavia on the north-east to the Mediterranean littoral of Sicily. Wine is produced in every one of the country's 19 regions. It is produced copiously, and in nearly all the provinces. More often than not Italy is the world's largest wine producer.

country. To some extent the great success here of the Italian wine sold in large bottles (60 per cent of them are DOC wines) but usually not of the better quality) has worked against recognition of the most distinguished examples sold in normal-sized bottles. In other words Italian wines have been regarded as essentially cheap wines, to be bought by price rather than quality.

Nowhere in the world, however, is it possible to combine high quality with low price. For one thing, all red wines of distinction require a maturing period that may be prolonged; and that is costly in terms of storage and capital locked up. If the better Italian wines were better known they would be more appreciated and not expected to compete directly in price with French or even Spanish wines, neither of which they resemble except when made from imported grape varieties.

Among this enormous range of wines, to express personal preferences is a ticklish business in a country so provincially minded and infused with local pride as Italy.

Here, however, we must be concerned principally with those superior Italian wines either likely to be available in Britain or to be found easily on a visit to the country. The first of these, obviously, is Chianti. Although there are no fewer than seven territorial divisions of Chianti, there is in fact only the one appellation. Produced from the Sangiovese grape, it is a fruity, good deal of acidity, and admirably suited to spicy Italian food. In theory the Classico variety, produced in the heart of Tuscany between Florence and Siena, is the best and probably achieves the highest consistency of quality, but I have enjoyed excellent examples from the other areas.

Nor is Chianti always the best wine from the Sangiovese, for it has formidable contenders in Brunello di Montalcino, Vino Nobile di Montepulciano and

from across the Umbrian border Rubesco Torgiano, which I regard as one of Italy's best and most rounded red wines; it is obtainable in this country. If, however, one is looking for the wines that most Italians will admit as having a special claim it is those of Piedmont, notably Barolo and Barbaresco, to which should be added Gattinara.

It is the first two of these that have been proposed for the top quality grade of DOC Garantina, along with Brunello and Montepulciano. This involves compulsory local bottling, and has yet finally to be resolved. All the three Piedmont wines are made from the Nebbiolo grape, indigenous to that part of Italy and producing powerful and, at their best, velvety wines. Unfortunately, rather like Rhone wines, they are often consumed too young, but I have drunk excellent 40-year-old Barolo and 25-year-old Barbaresco. Expensive by Italian wine standards, if they are any good they are well worth the money. Other excellent wines from the Nebbiolo are Spanna (not a DOC but none the worse for that), and the two reds from the Aosta Valley, Donnaz and Carema.

Popular

Moving across north Italy, there are the Valtellina wines, little known over here but very popular in neighbouring Switzerland. Made from a local grape, the Chiavennasca, grown at a height of about 1,500 feet above sea level, they have less body than the Piedmontese wines but the older riserva types can be very good. One reason for drinking them on the spot is that this mountain valley is so attractive. The chief names are Sassella, Grumello and Inferno.

Further east one reaches the Veneto wines, second only in popularity to Chianti: Valpolicella, Bardolino and the white Soave. A good Valpolicella can be a very satisfying fruity wine, while Bardolino is lighter, somewhat, in relation to Valpolicella

as Beaujolais is to the Cote d'Or reds.

Soave, along with Verdicchio, Orvieto and Frascati are the best-known Italian whites. For me the test for all dry white wine is freshness combined with fruitiness. Unfortunately, too many Italian whites are pasteurised in order to stabilise them against secondary fermentation in bot weather. But not all producers have found this necessary, and on this count I find some of the Verdicchios, from the Marche, among the most attractive, but there are others. One of the rarest Italian wines is Picolit from Friuli, a sweet wine made in very small quantities on the Alpine foothills. Both in aroma and flavour it is quite different from other sweet white wines that I have encountered. From Friuli too come the hill wines of the Colli Orientali.

This part of northern Italy, including the Trentino and Alto Adige, is much occupied with large-scale production for exporting north of the Alps; so to some extent they plant

foreign grape varieties, including the Merlot, Pinot, Traminer and Riesling. One should bear in mind, nevertheless, that the Italian Riesling has little in common with the Rhine Riesling, which produces wines of more flavour and character; and it is grown in Italy too. The best known wines of this area are Santa Maddalena and Lago di Caldoro, to be recognised in Austria as Kalterersee.

As one descends the Italian peninsula one comes upon DOC wines little known outside their region. Yet alone beyond the Italian frontiers. Accordingly they must be sought on the spot. For example, visitors to many-towered San Gimignano will be offered the white Vernaccia, those passing through Montefiascone, north of Rome, will find Est! Est! Est! a wine that enjoys through its name a reputation wider than its distribution.

Then in Rome you may reasonably expect to find the excellent red Cesanese, produced about 30 miles to the south, while nearer at hand are the Colli Albani

DOC. In both the red are superior to the white, and the former has more character than the latter, but is scarcely exported; the latter is. The only



"Graticule" trays used to dry grapes from harvest time until the middle of January.

Different

When the Straits of Messina are crossed one is in quite a different wine country. Sicily's best-known wine is of course Marsala, an under-rated aperitif or dessert wine now largely relegated to the kitchen. Yet a fine old Vergine solera deserves restoring to the dining room. Curiously enough the two best-known Sicilian table wines—Regaleali and Corvo—are not DOC. In both the red are superior to the white, and the former has more character than the latter, but is scarcely exported; the latter is. The only

Edmund Penning Rowell

Italian wine... when skies are grey.

One time-tried and infallible antidote to the rigours of an English winter is a welcoming glass of fine Italian wine.

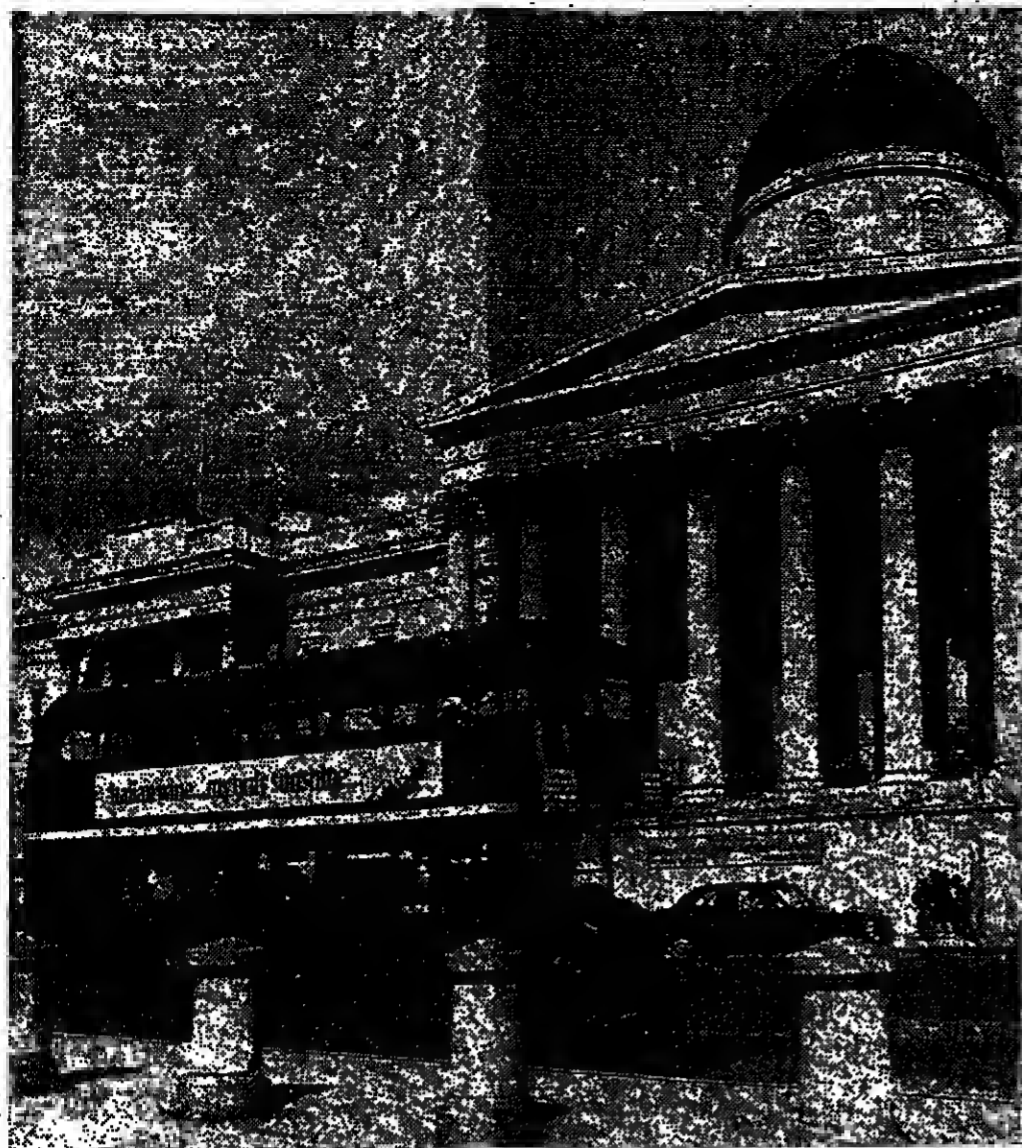
Every region in Italy produces its own individual wines. Their very names conjure up a world of warmth. Of positively operatic colourfulness. And of good cheer.

Italian Wines. For quality at the right price.



ITALIAN WINES IV

DOC mark of quality



Part of the advertising campaign carried by London buses.

DESPITE ALL the misunderstandings and occasional scandals surrounding the appellation contrôlée (AC) mark on bottles of French wine there remains the feeling among the public that this should guarantee not only a limited pedigree of origin, but also one of quality.

It is used by the casual buyer of table wines to provide a benchmark when taking a gamble on the choice of a bottle of wine. Too often the buyer knows too little about the product to be buying while aware at the same time that he risks being judged by friends and acquaintances on the outcome of his choice.

All the major wine-producing countries of the world like to run some sort of similar club which gives an "official" ring to the origin of the wine, though none as yet has put over the message quite as hard or successfully as the French.

The Italians, however, are working busily towards that end despite problems in the initial stages with the refusal of some of the major producers to jolt on the grounds that they want to protect an already established trade mark. Others feel that until there is far more control of the system there is little good to be gained and the risk of a great deal of damage.

The Italian Government first introduced *Denominazione di Origine Controllata* (DOC) in June 1963 in a bid to impose existing voluntary standards on all those who wished to sell a wine under a name which implied it came from a certain district and was made from particular grapes by specific methods.

Previously there had been loose associations and consortia which had set standards of wine production for themselves in order to establish certain regional types of wine in both the home and expanding overseas markets. There were also, however, cases where some of the major wine houses deliberately did not join these marketing groups because they felt that the standards were either not high enough or not rigorously monitored.

Even when the presidential decree on DOCs came in there was a seven-year lead time before many vineyards were able to reorganise vine growths to produce all the necessary grapes in the same area.

The development of DOCs has been slow and late but the industry has now come to terms with the need to establish this mark of quality particularly in export markets.

Wine production in Italy has grown substantially this century. In 1916 it was 21m. hectolitres, in 1936 47m., in 1956 63m. and in 1976 66m. — with a peak year in 1974 of 77m. hectolitres.

Exports have risen even more dramatically, from only two to 3 per cent. of output 30 years ago to 35 to 40 per cent. today. France alone takes about 14 per cent. most of it in bulk, whereas supplies to other markets are mainly in bottle. What happens after it arrives in France is a matter for the French.

Fluctuated

Production of DOC wines in the year 1973-74-75 fluctuated between 5.4m. and 6.3m. hectolitres, or under 10 per cent. of the total. But they have since been rising as a percentage of exports, reaching 13.8 per cent. in 1976.

At first only very few areas and the advanced producers in them were able to comply with the DOC regulations. Now there are over 120, and this number still does not include some of the great Italian wine houses.

One example is Corvo, from Sicily, which was produced by the Duca di Salaparuta. He is now dead, but even though the

vineyard is now hacked by the Sicilian Government it has not applied for a DOC. Instead it prefers to promote the Corvo brand name—the word is Italian for a crow—rather than would allow others to produce copies, sometimes inferior, and thus damage the reputation Corvo has built up.

One of the best Chianti houses, Ruffino, is also in the dilemma of seeing the DOC as a must and yet being fearful of the whole system being undermined through lack of enforcement. It has refused to join the Black Cockerel consortium of Chianti producers on the grounds that some of the wines produced are just not worthy of the name.

But the Government has so far not been able to keep a watchful eye as is perhaps necessary on the thousands of smaller wine producers.

There is the now famous case of the Government clamping down on the Ferrari wine house, which a few years ago was one of the largest in Italy. Its consent to the DOC laws eventually cost it dear, for it has since closed down.

But while the Italians have been slow to bother about drinking DOC wines, it is in the overseas markets that the push is being made. In the U.K. Bass

as demand for quality increases but there is no plan for the market in the future. There are discussions going on, however, over the possibility of grading DOC wine in order to give a degree of guarantee of quality.

No set system has yet been devised to cope with the nature of the DOC covering parts of an area and a grading moving into other areas. It is more likely to be the lead for this world from individual vineyards, much the same way that French wine would have been judged on the AC system.

Developed

Instead the connoisseur's choice of highly developed knowledge of particular vineyards and particular years, one has yet suggested that should replace the reputation of an individual chateau.

More important is the message put the DOC message to the consumer. It is not well known in the U.K. but very few people go to a restaurant and looking for good quality Italian wine to the DOC denomination's guide.

Recently there has been strong consumer campaign to promote Italian wines in general. If the DOC taken seriously by the public must be taken seriously by the producers to meet equally strong and effective campaign.

Because of the success of Hirondelle only about 50 per cent. of Italian wine sold in the U.K. carries a DOC, but if time for the Italians to set up with the highly respected French and it could be the of the remainder is DOC. However, Italian wines still tend to sell more on price than quality not only in the U.K. but in Italy, as is shown by domestic per capita consumption of 152 bottles a year, compared with under a dozen of all kinds in the U.K.

More people are now looking at the label and for the DOC

Stuart Alexander



The Palazzo Antinori (from an 18th century print)

ANTINORI

QUALITY WINES PRODUCED FOR NINE GENERATIONS

The family of the Marquis of ANTINORI has been producing quality wines in Tuscany since 1385. The famous Chianti Classico vintage wines, SANTA CRISTINA and VILLA ANTINORI, are produced from their selected vineyards in the best areas of the zone of production. The family estates at Castello della Sala and Bolgheri produce white D.O.C. ORVIETCO and ROSE wines respectively.

The first mentioned red wines are aged, as tradition indicates, in oak at the San Casciano cellars near Florence, while the white and rose wines have the benefit of modern oenological techniques. A "nature" sparkling wine is also produced by the Antinori family in very limited quantities, using the classic Champenois method.

Antinori wines are now distributed in 60 nations through a world-wide sales organisation. Due to centuries of continual efforts dedicated to the betterment of their production the name of Antinori is now always associated with quality wines.



ANTINORI

Vintners in Florence since 1385.

Buoyant sales in Britain

THE SUCCESSFUL invasion of the U.K. market by the wines of Italy owes not a little to the marketing campaign carried out over the past decade by the Italian Institute for Foreign Trade, a campaign that has been characterised by its sensible deployment of limited resources.

The first impetus came in the late 1960s, following the introduction of the *Denominazione di Origine Controllata* (DOC) system of grading and guaranteeing the quality of wine in 1963. For the first time this meant that a shipper could be certain that one shipment of a particular variety would be roughly the same as the last, and he could order and re-order with confidence. The producers' co-operatives that were set up also helped to stabilise the quality of wine produced.

The sales build-up began around 1968, helped by increases in the cost of French wines. In 1970 the U.K. accounted for 650,000 gallons of Italian wine; by 1972 this figure had risen to 1.1m. gallons of DOC wine brought into this country by seven importers.

The first marketing objective was therefore to bring more wine importers into the fold. The Institute's success in doing so is shown by the figures: 50 importers of Italian wine by 1973, 76 to-day, including most of the big names other than those who concentrate specifically on, for instance, French wine.

The means adopted were unspectacular but profitable. The Institute undertook a lot of gentle promotion work in the form of lectures to the trade, wine tastings for clubs and wine societies and a series of trade tastings. By 1973-74 the institute was producing booklets and also made a film "Land of Grapes" which is still widely shown today.

Special supplements in the trade papers and magazines also helped, but last year came the real turning point, because for the first time the Institute was provided with what it described as a "reasonable" budget. (The Ministry of Agriculture's contribution to the campaign in the UK and West Germany is £3m. — £1.5m. — covering a two year contract.) This enabled it to mount an extensive campaign—generic but backed by a certain amount of brand adver-

couaging sales of the 2-litre and 1.5-litre sizes. The policy of encouraging the import of bottled wine is also paying off. The trattorias of London and other cities have played their part in making Italian wine better known, and the Institute reckons that they are beginning to feature more of the wine lists of the hotels as well as the shelves of Tesco and Marks & Spencer.

In the view of many in the trade, Italian wine has not only reached the prime of success. Most of the production so far has been done in the South East of England, but large areas of fertile market ground still to be cultivated. One estimate reckons that even in the South East the capacity for 100 per cent. growth over the next few years.

Colin Innes

J.P.J. in photo

Left loses to new Labour alliance

THE NEW ALLIANCE of moderate and trade unionists on the left... Labour alliance

Czech defector's claims should be probed—MP

A DEMAND was made in the Commons yesterday that a special Select Committee should be set up to investigate allegations by Joseph Frolík... Czech defector's claims

EEC road haulage rules for discussion

PROBLEMS FACING some sectors of the road haulage industry with the introduction of January 1 of new EEC regulations... EEC road haulage

TWO MEN'S 'HOLY WAR' AGAINST THE LEFT

Labour's nightmare at Newham

There is a very good moment in the film Butch Cassidy and the Sundance Kid when Robert Redford and Paul Newman... Labour's nightmare



MR. REG UNDERHILL

all, where does their money come from? They became involved in Newham in early 1978... Labour's nightmare

New Stonehouse inquiry call

A NEW INVESTIGATION into allegations by Joseph Frolík, a Czech defector, that John Stonehouse, the former Labour Minister... New Stonehouse inquiry

Hard line

He called on the Minister to make clear what help the Government was prepared to give in overcoming difficulties... Hard line

Forestry needs new tax incentive, says peer

BRITAIN IS producing fewer trees than any country in Europe, Lord Taylor of Gryce, a former chairman of the Forestry Commission... Forestry needs new tax

Over 3,000 terror suspects

POLICE HAVE detained 3,017 people in Britain under the Prevention of Terrorism (Temporary Provisions) Act since 1974... Over 3,000 terror suspects

Foot agrees to talks on planning controls

THE GOVERNMENT is to withdraw the Order which would have implemented controversial proposals for relaxation of town and country planning controls... Foot agrees to talks

Authors' Bill plea by MP

THE GOVERNMENT was urged yesterday to help speed through a private member's Bill on public lending rights for authors... Authors' Bill plea by MP

Thatcher to speak in Scotland

MRS. MARGARET THATCHER, Leader of the Opposition, is to address a major conference on industrial and economic policy... Thatcher to speak in Scotland

Travel survey in spring

THE NEXT national travel survey will begin in the spring of 1980... Travel survey in spring

EEC poll decision postponed

A LITTLE hope now of direct elections in Europe until at the earliest Labour... EEC poll decision postponed

Obs creation cost estimate

LATEST estimate of the cost of the job creation scheme by the time it ends... Obs creation cost estimate

Advertisement for HOKUSHIN ELECTRIC WORKS, LTD. featuring a star logo and a list of international branches including Daiwa Securities Co. Ltd., Bayerische Vereinsbank, and others.

The Marketing Scene

Frisbee reaches for £1m.

BY MICHAEL THOMPSON-NOEL

AT 39, MAUREEN FAULKNER has blossomed into a remarkable businessperson: an attractive, raven-haired ex-senior lecturer in education at London University whose dark eyes radiate misleading gentleness. Three years ago, when she and her husband David, an ex-McKinsey consultant, set up The Frisbee Company under licence from the Wham-O Manufacturing Corporation—the toy and sports equipment giant of San Gabriel, California—she knew nothing about pricing or distribution or selling. But now she does.

Today—self-taught in the ways of marketing, and astonishingly successful—she is sitting pretty in a room at the Frisbee Company whose sales of Frisbees and other sports goods have pushed turnover from £100,000 to £800,000 in 36 months. Next year should be £1m.

Impressed with the company's scope for expansion, particularly in Europe, development capital, the company formed last year by the Charterhouse Group and major insurance funds and insurance companies to provide capital for key-looking unquoted and smaller quoted companies, has invested £80,000 in the Frisbee holding company, Faulkner and Co. (Sports and Toys).

If all began by accident. Three years ago Mrs. Faulkner, a biology graduate, was lecturing at a school when an ex-graduate of hers, Klaus Albrecht, a young German, told her he had a licence for Frisbee from Wham-O. However, she and her husband David followed up with a more practical

financial discussion." They got a £3,500 overdraft.

In Year One, when turnover was £100,000, the company sold 104,000 Frisbee discs and turned a profit of more than 10 per cent. In Year Two—1976—turnover reached £200,000. The company sold 180,000 Frisbees and 20,000 dual control sports kites. It also moved into skateboards after its eagle-eyed founder had spotted their potential at the Harrogate Gift Fair.

"I saw these skateboards on a stand," she says, "and thought, 'Jeepers! We were the third-fastest U.K. company to realise the sort of market they represented.'"

Jeepers was the word. This year skateboards and skateboard safety equipment will account for 40 per cent of The Frisbee Company's £500,000 turnover. Prices range from the £18.99 Red Devil glass fibre model to a £50 branded U.S. import.

Seven per cent of turnover will come from sales of Trax Ball, a Wham-O ball and racquet game, and 11 per cent from sports kites. The other 42 per cent will be accounted for by Frisbees, which are still going strong. The range will be extended to eight next year. Already the U.K. Championship Frisbee Disc in gold and black which retails at £2.50, has sold 12,500 without inflicting the slightest sales injury to other Frisbee segments.

Last month the company bought out Frisbee Germany and with it all the other Frisbee rights in Europe, which is partly why Charterhouse has put £200,000 into the holding company. (Charterhouse, with a director on the Frisbee Board, has put up £35,000 in ordinary loan stock



Somehow, Anglians get through 26% more flour*

We're using 26% more flour per household than the national average.*
And that's on top of all the other things we buy more of.
When you add it up, we get through 10% more groceries per person than the average Briton.
You too can have figures like ours.

ANNUAL GROCER SALES PER HEAD BY NIELSEN REGION—1976

Region	£	%
ANGLIA	£176	6.0
LONDON	£175	24.8
SOUTHERN	£174	8.1
SCOTLAND	£160	9.6
WALES WEST & WESTWARD	£159	10.0
TYNE TEES	£158	4.3
YORKSHIRE	£153	10.3
MIDLANDS	£150	13.3
LANCASHIRE	£136	12.1
G.B. TOTAL	£160	100

Source: NIELSEN

ANGLIA. JUST ABOVE LONDON AND THE SOUTH.

Anglia Television Ltd, Brook House, Park Lane, London W1Y 4DX. Tel: 01-408 2288.

*Source: T.C.A.

Advertising's testing time

IS LIKELY that well over half the advertising budget in 1978 will be spent next year on research and advertising content, it is that research is thought by some to interfere with creative flair. The research director of one of London's most creative agencies admitted that when he launched a consumer campaign of advertising in a novel type was causing the public some confusion; the findings were not only kept from the client but were withheld from the agency's creative department.

As well—presumably in case it curbed their creativity.

Another speaker, Alan Hedges, formerly research and marketing director of S. H. Benson and now a consultant, went so far as to state that there is no way in which any known research technique can tell you how good a proposed ad is, or even which of two possible ads is the better.

This is because pre-testing involves artificial conditions, whether it is a ball test (the newest American shopping precincts apparently have a survey room conveniently built in for researchers to use), a personal interview, a simulation of a TV commercial, or another U.S. curiosity—a device which registers emotion in human voices.

Several speakers at the seminar cited examples of pre-testing which had shown either a public preference for advertising which did not work when put into practice, or successful campaigns which would never have been launched if the pre-

Viewdata Seminars

Organised in association with The UK Post Office
Birmingham, Tuesday 14th February;
Zurich, Thursday 2nd March
For details contact
Butler Cox & Partners Limited
The Press Centre, 76 Shoe Lane,
London EC4A 3JB Tel: 01-353 1133

TRY SOMETHING NEW THAT'S 200 YEARS OLD!

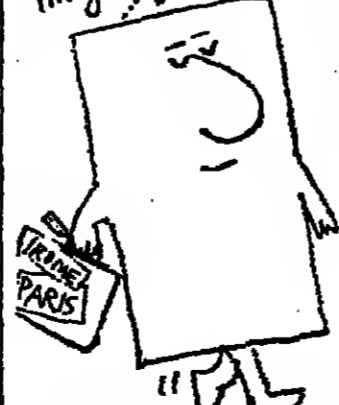
Drambuie has been enjoyed for two centuries and more. Its unique Scottish flavour makes it a favourite everywhere.



Drambuie

The Drambuie Liqueur Company Ltd, Edinburgh, Scotland.

In an ad and in going abroad...



Media plan? Totally serviced in London via JDM—the largest independent overseas media brokers in the UK.
—media by JDM
the worldwide media consultancy
63 Abchurch Lane, London EC4N 3DF, Tel: 01-404 1542

TVTimes put on over 4,300 readers every day last year

(That's a readership increase of 1,595,000 in the year)

- TVTimes readership is up to 11,203,000. That's a 16.6% upsurge in the last year.
- TVTimes has the largest magazine readership in Britain. It also has the most responsive readers.
- Even though we offered no prizes, 25,000 budding poets entered our Pam Ayres' Poetry Competition. When our Jubilee Silverware Competition did offer prizes our postbag was swelled by an astonishing 497,000 entries.
- 15,000 housewives entered a TVTimes cookery competition.
- 40,000 TVTimes readers entered a script-writing competition.
- 23,000 TVTimes readers turned up to the TVTimes Gemini Car Club rally at Donington.
- 20,000 children joined in Stewpot's TVTimes Jam-Jar Safari.
- 5,000 TVTimes readers submitted original paintings in the magazine's annual painting competition.
- 12,000 children took part in the TVTimes painting competition to decorate Britain's team bus for last year's Olympics.

Source: JICNARS NRS Jan-June & TVTimes

TVTimes

For a presentation, call Mike McGrath 01-636 1599

COMPANY NEWS + COMMENT

CompAir slows down in second half

RECORD TAXABLE profits of £12.2m, against £9.3m, are reported by CompAir for the October 2, 1977, year.

HIGHLIGHTS

Trafalgar House has turned in profits some 40 per cent to the good at the pre-tax level, thanks to a strong performance in shipping and hotels.

of the first half as the latest slump in the steel demand cycle caught up with the group.

Little change at Laurence Scott

Electrical Machinery and Control gear manufacturers Laurence Scott reports pre-tax profits little changed at £1,024,000, against £1,031,000 for the year to September 30, 1977.

Arthur Lee grows by £0.8m.

A SECOND half slowdown in taxable earnings from £2.3m to £1.8m, left Arthur Lee and Sons, steel bar, strip, wire and wire mesh makers, about 20 per cent down on the year to September 30, 1977, to £2.8m, against £1.9m.

Utd. Spring turns in £765,000

SPRING MANUFACTURERS steel stockholders and processors United Spring and Steel Group reports taxable profits of £765,000 for the year to September 30, 1977, compared with £278,000 for the year to September 30, 1976.



Mr. Nigel Brookes, chairman (left), and Mr. Victor Matthews, deputy chairman and managing director, of Trafalgar House.

In the year ended September 30, 1977, the group increased its profit by £12.5m.

SE asia results boost Guthrie

FIRST-HALF 1977 pre-tax profits of Guthrie Corporation jumped from £4.8m to £11.4m on turnover of £24.7m, compared with over £14.7m, compared with over £13.5m.

Deritend Stamping climbs

Even though some of its new products reach their set targets for the unsteady economy, Deritend Stamping Company is up 30 per cent, year on year.

Braithwaite profits halved

ON TURNOVER down £8.2m to £3.09m for the year to September 30, Braithwaite's pre-tax profits of £21m, against £42m for the year to September 30, 1976, are down 50 per cent.

DIVIDENDS ANNOUNCED

Table listing dividends for various companies including Assed Dairies, Braithwaite and Co., HP Bulmer, etc.

comment

As expected buoyant plantation profits have given Guthrie's year-end results a big push.

comment

The tide appears to have turned against CompAir with second-half pre-tax profits up only 7.2 per cent, following a 70 per cent gain earlier in the year.

comment

Laurence Scott's first half results profits unchanged on turnover up 8 per cent, were depressed by a 10-week stoppage at the heavy metal works in Norwich.

comment

The group's liquidity position shows a considerable improvement, the directors state. Although an encouraging start has been made to the current year, they feel it premature to make a forecast.

comment

The directors of Cableform Group are proposing to raise £201,500 by a rights issue of 437,500 Ordinary 5p shares.

ISSUE NEWS

Cableform-dividend up

The directors of Cableform Group are proposing to raise £201,500 by a rights issue of 437,500 Ordinary 5p shares.

comment

will subscribe for their entitlement in full. The balance is underwritten by Barclays Merchant Bank Brokers as Capel-Cure-Myers, and dealings start on Monday.

ELBAR £149m.

Elbar Industrial is proposing to raise £149m. by a rights issue of 316,433 Ordinary 50p shares on the basis of one-for-three at 190p.

AURORA STOCK

Repayment by Aurora Holdings of the outstanding £7.9m 7 1/2 per cent. Debenture Stock 1956/91 and £640,512 7 1/2 per cent. Unsecured Loan Stock 1953/88 has been approved by the holders.

comment

After £284,000 provision for supplementary contributions to pension schemes.

comment

Turnover of William Low and Co., supermarket operators, was running ahead of estimates for the current year to date, Mr. A. M. Drysdale, chairman, told the annual meeting.

WILLIAM LOW

Turnover of William Low and Co., supermarket operators, was running ahead of estimates for the current year to date, Mr. A. M. Drysdale, chairman, told the annual meeting.

Chairman's Address to Shareholders of Western Mining Corporation Limited

alumina, and 100,000 tonnes of aluminium, per year. In 1976 Alcoa of Australia made a profit of A\$42.7 million and WMC received a dividend of A\$5.2 million, compared with A\$1.7 million in 1975.

EXPLORATION

Western Mining Corporation's past and present business has been based on exploration success in the Australia-wide search for metals.

GOLD

The price of gold has increased from the low of A\$83 per oz. in August 1976 to more than A\$144 per oz. recently and experts were optimistic about a further price improvement.

METAL EXPLORATION

The announcement at WMC's last year's annual meeting of new discovery of copper mineralisation at Dlympe Dam on Roxby Downs Station in South Australia, it has been found.

PETROLEUM EXPLORATION

Seismic surveys completed in the Pedraia and Abrochra Basins located structures for drilling.

RESOURCES TAX

Taxes which reduced profits in good years to mediocre levels obviously reduced average returns. The average in the minerals industry was already well below acceptable levels and lower than in other industries.

FUTURE OUTLOOK

The short-term outlook for nickel was for a continuation of the difficult marketing conditions. It was expected that sales volume and prices in 1977/78 would be lower than last year.

Abbey fund reaches £248m.

The annual report from Abbey Life Assurance on the Abbey Property Fund reveals that it has grown to its £248m. nearly three times as large as its closest competitors.

comment

The directors are forecasting that pre-tax profits for the year ending December 31, 1977 will not be less than £19m, compared with just under £1m in 1976.

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CREDIT COMMERCIAL DE FRA

U.K. REPRESENTATIVE OFFICE

is moving on 19th December

to

41 Eastcheap, London EC3M 1HX

Tel. No. 623 1131/6 Telex No. 81

from Capel House, 54 New Broad Street, EC2



Montague L Meyer Limited

Interim Report

UNAUDITED GROUP RESULTS

Table showing financial results for 6 months ended 30th September 1977 and 6 months ended 30th September 1976.

Note 1: The Group's shares of the results of associated companies includes an extraordinary amount of £248,000 on the disposal of the Hallam Group of Nottingham Ltd. of its Cabinet factory and the charge includes £100,000 in respect of this item.

Note 2: Taxation is provided on the basis of a corporation tax rate of 52% for the full year and the account of anticipated stock relief and capital allowances. This is in accordance with the Company's accounting policy for deferred taxation which was adopted in the accounts for the year ended 31st March 1977.

Since September profitability has been maintained at a satisfactory level but the drought starting in relation to the currencies of some supplying countries may cause a temporary reduction in margins in the last quarter. However, some increase in demand is expected during 1978.

The dividends on the Preference and Preferred Ordinary Shares for the period absorbed £5 (1976 £5,000). The Board has declared an interim dividend of 1.7p per share on the Ordinary Shares, which will absorb £928,000 (1976 £1.5p per share which absorbed £708,000). Holders of the register on 9th January 1978 will be entitled to receive with the interim dividend supplementary dividend of 0.0434p in respect of the year ended 31st March 1977. These dividends will be paid on 27th January 1978.

Britain's Leading Timber Group

Montague L Meyer Limited Villiers House 41-47 Strand London WC2N 3JG Telephone 01-839 776

BIDS AND DEALS

Tilling's further U.S. growth with \$26m. offer

BY JAMES BARTHOLOMEW

Thomas Tilling, the industrial chairman of Clarksons, is bidding to expand his investment in the U.S. through a \$26m. cash offer for Clarksons Industries. Clarksons claims to be the largest U.S. producer of central compressors for aerating its general business is tied to pollution control, including air handling and liquidation systems.

Glenlivet agrees on 510p

An offer by the Canadian giant, Seagram, for multi-distillers, Glenlivet, is now on. Seagram has won the bid for a \$47m. bid after Glenlivet a wide range of shares on the future of the distillery.

LEISURE AND GENERAL TO PAY MORE

As a key part of its bid defence against the \$22m. bid from Leisure Group, Leisure and General Board has obtained Treasury permission to increase its dividend by 33.5 per cent. The gross payment will be raised from 1.937p to 2.587p (net 1.52p to 2.17p), it is disclosed in the rejection document.

ALIED INVESTS. IN TALKS WITH NEB

Allied Investments, the nursing homes and medical supplies group chaired by Sir Richard Marsh, is in discussions about a bid from the National Enterprise Board and the three main institutional shareholders.

LANE FRIEHAUF

William Grace, the newly appointed chairman of Lane Frieauf, announced yesterday that the Corporation now owns 75 per cent of the shares. He also said that "now the stakes of the past 12 Orion Bank, each with a 15.32 per cent stake, and London Trust, with 14.34 per cent.

MINING NEWS

A boost from Southvaal

BY KENNETH MARSTON, MINING EDITOR

THE IMPACT on Southvaal of the expanded flow of royalties from the mining of Vaal Reef's south gold division is underlined by the news that 1977 net profits of the South African holding company have advanced to R5.4m. (R23.5m.) from only R548,000 last year.

Anglo confirms early closure of Blue Spec

FOLLOWING the news reported here yesterday of the row between Australia's Macassar Minerals and the big Anglo American Corporation group over the failure of their joint venture Blue Spec antimony-gold mine in Western Australia, a spokesman for Anglo in Perth has confirmed that the mine is likely to be closed down early next year.

HAMPTON AREAS PROFITS FALL

A sharp reduction in half-yearly profits was announced yesterday by Hampton Gold Mining Areas, a London-based mining and finance group. Net profits for the six months to September, at \$47,000 made a sharp contrast to the \$192,000 earned in the same period of 1976.

Hemerdon: a new phase begins

THE POSSIBILITY of an eventual London listing for Hemerdon Mining and Smelting emerged yesterday as the company formally announced a joint venture with Amax Exploration of the U.K., a wholly owned subsidiary of Amax of the U.S. for the exploration of the Hemerdon tungsten-china clay orebody near Plymouth, Cornwall.

Mr. Carl Schwarzwiler, the Hemerdon chairman, stated that an application had been made to the Securities and Exchange Commission in New York for registration to allow "over the counter" trading in the U.S. Once this had been settled a share flotation in London would be contemplated.

RUGBY CEMENT

To enhance the prospects of extending its business activities overseas Rugby Portland Cement has acquired a 35 per cent interest in the Luxembourg-based Compagnie Financière Pour La Recherche Et Le Développement.

STANLEY GIBBONS

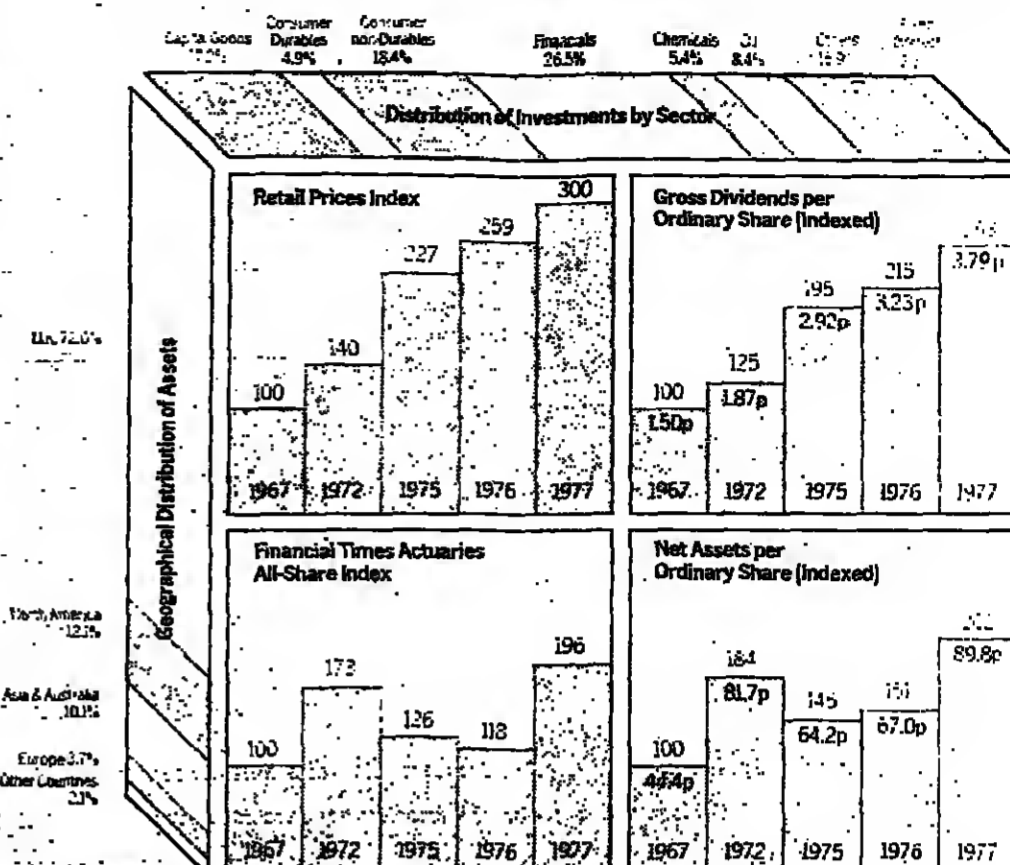
Stanley Gibbons says that it is not engaged in talks with Spink and Son regarding a possible merger, and is not expecting any such talks to start.

SUPARA INV.

The unconditional offer by Western Tea Holdings for Supara Investments will remain open, and outstanding stock will be compulsorily acquired. Warren now controls 82.3 per cent of the Supara capital.

Cedar Investment Trust, Limited

Total Assets at 30th September, 1977: £32.0 million.



A member of the Touche, Remnant Management Group. Total funds under Group Management exceed £750 million. Copies of the Report and Accounts can be obtained from The Secretary, Cedar Investment Trust Limited, Winchester House, 77 London Wall, London EC2N 1BH.

Advertisement for GM (General Motors) Bearer Depositary Receipts. It features the GM logo and text: 'GENERAL MOTORS CORPORATION'. It details a dividend declaration for 25th November 1977, with a gross distribution of 16.25 cents per unit and a net distribution of 13.8125 cents per unit after 15% U.S. withholding tax. The price is converted to 7.5035 pence per unit at a rate of \$1.8408. The advertisement is dated 15th December 1977.

Advertisement for Continental Illinois Investment Advisory Corporation. It states: 'We take pleasure in announcing the opening of Continental Illinois Investment Advisory Corporation at 62 Rue du Rhône, 1204 Geneva, Switzerland. (022) 21 44 22. Francis Schoenborn, General Manager. CONTINENTAL BANK, CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO. 15 December 1977.'

Advertisement for INCO LIMITED. It features the text: 'This advertisement complies with the requirements of the Council of The Stock Exchange in London. It does not constitute an invitation to subscribe for or purchase any securities.' Below this, it lists 'U.S. \$50,000,000 8 1/4% Notes Due 1984' and 'U.S. \$100,000,000 9% Debentures Due 1992'. It offers a price of 100% and accrued interest for both. The offering is managed by Morgan Stanley International, Amsterdam-Rotterdam Bank N.V., Morgan Grenfell & Co. Limited, Societe Generale, Westdeutsche Landesbank Girozentrale, Swiss Bank Corporation (Overseas), Deutsche Bank Aktiengesellschaft, Skandinaviska Enskilda Banken, and Union Bank of Switzerland (Securities). It is dated December 15, 1977.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

EEC CORPORATE TAXES

Rejection for draft directive

BY DAVID BUCHAN

THE EUROPEAN Parliament today voted to reject a Brussels Commission draft directive for the harmonisation among the nine of company profits taxes and of withholding taxes on dividends.

The rejection of the proposal, which would require EEC States to operate a "partial imputation" system whereby shareholders can offset part of the corporation tax already paid on distributed profits against income tax on dividends, was unexpected after the draft directive had won the backing of the Parliament's Budget Committee.

However, German MPs carried about the changes that would be required in that country, and others concerned about its general effect on U.S. and

third country investors who would not benefit from the new system, combined to vote down the proposal. It will now have to go back to the Commission, instead of being able to go before the Council of Ministers for approval.

In any event the U.K. and Ireland would not have been forced to change their habits by the proposed change. Both countries, along with France and Belgium, already operate a partially imputed tax system. But West Germany uses a full imputation system in which corporation tax can be fully offset against the tax liability of shareholders.

EEC tax commissioner Richard Burke said in the debate that while full imputation might be desirable, it was impossible to introduce throughout the Com-

STRASBOURG, Dec. 14.

Papyrus interim profits down

By William Duffice

STOCKHOLM, Dec. 14.

PAPYRUS, THE SWEDISH pulp, paper and board concern, shows a profits slide in its interim report for the first seven months of the 1977 financial year.

The seven-month figure would have shown a slight loss had Papyrus not capitalised interest costs of Kr.11.5m. in connection with the completion and running-in of its new factory at Fors.

Describing the result as unsatisfactory, the interim report states that strong measures are being taken to cut costs and improve income. Most of the concern's units were forced to cut back production "substantially" during the period, and export prices for most products fell.

BANK OF ENGLAND BULLETIN

Medium term lending volume falls again

BY MARY CAMPBELL

THE VOLUME of newly announced medium term Eurocredits fell for the second quarter running, to \$7.7bn. in the third quarter of this year, according to Bank of England figures.

The amount had been \$8.9bn. in the second quarter and \$8bn. in the first quarter. The Bank attributes the fall partly to the July and August holiday period. New foreign and international bond issues, similarly, fell to \$6.1bn. in the third quarter from \$8bn. in the second, and \$6.1bn. in the first quarter.

which had emerged in the three months to mid-May. The London Eurocurrency market in general of England to the firming of short-term Eurodollar interest rates, which it said, "encouraged deposits with London banks depositors to arrange longer maturities." The Bank does not comment on the reversion to the acceleration, short term deposits grew much faster than longer term.

Over a third of the rise in deposits in the three months to mid-August was at the very short end—in deposits of less than eight days. While there was also some rise in very short-term lending, this was substantially smaller than the rise in short-term deposits. Thus on a net basis at the very short end figures from the Bank of England's analysis of developments in the London banks' net deposits rose by \$2.5bn. to \$10.7bn.

The shift towards shorter term deposits in the quarter to mid-August happened despite a continuing rise in interest rates. Although rates did fall early in the period, they rose again later.

Other major ERM market developments reported in the latest Quarterly Bulletin include a further run-down in London banks' lending to banks in Japan and a sharp rise in lending to banks in Belgium-Luxembourg. Banks in Japan cut back their borrowing from the London market to \$1.5bn. at the end of the September from \$12.2bn. three months earlier and \$15.7bn. at the end of last year.

Intercom to pay same

BRUSSELS, Dec. 14.

SOCIETE INTERCOMMUNALE de Gaz et d'Electricite (SAG) said 1977 results would be required to pay a dividend at least equal to last year's of Frs.142 net per share.

Intercom's 1976 net profit was Frs.7bn. on group turnover of Frs.39.9bn. while its net dividend was Frs.129 per share the three years up to 1975.

PUK may quit fertilisers

BY DAVID CURRY

PARIS, Dec. 14.

DESPITE THE VERY strong recovery in cash-flow and profits this year, the French metals group Pechiney Ugine Kuhlmann is still far from being able to claim a definitive return to health. Not only are the estimated results for 1977 good only in parts, but the general perspective is also uncertain.

These were the essential points of a diagnosis given yesterday by Mr. Philippe-Thomas, the PUK chairman. The only indication of a change of course in the group's general strategy was the hint by M. Thomas that PUK might eventually decide to pull out of the fertiliser sector, which is in the middle of a rather painful regrouping.

per cent. volume increase and a 10 per cent. price rise. The year's strong points have been aluminium, both at home and overseas, and light industry. Special steels, electro-metallurgy, chemical transformation and chemicals have been the dark spots. Uguine Aclera, for example, will have lost some Frs. 280m. this year before amortisation.

Table with 4 columns: Turnover, Gross profits, Per cent. fixed asset, and 4 rows of data for Metals, Chemicals, Light Ind., French Technology, Overseas Group.

94 per cent. capacity, and the division thinks that de-stocking has more or less come to an end, particularly in the U.S., Germany and Italy.

European satellite joint venture

THE MAJOR producer of aerospace equipment in continental Europe, Aerospatiale, has announced the conclusion of a joint venture for the construction of heavy satellites for telecommunications and other practical uses, reports UPI from Paris.

The joint subsidiary, called Eurosatellite, has been formed by Societe Nationale Aerospatiale (SNIAS) of France, Messerschmitt - Boelkow Blohm (MBB) of West Germany and Euzes Techniques et Construction Aerospatiale (ETCA) of Belgium.

CSR's coking coal programme

BY JAMES FORTH

SYDNEY, Dec. 14.

CSR, THE sugar, mining, building products and pastoral group, has announced a decision to invest \$480m. on the development of the SA800m. Hall Creek coking coal project within two years.

CSR recently acquired the major interest in Hall Creek through the takeover of A.A.R. after the U.K.-controlled Corbin Riotinto of Australia was refused permission to make a counter offer. In their interim report, the directors emphasise that the development of Hall Creek would be a major priority for CSR and an investment decision would be made as soon as conditions were appropriate.

Referring to CSR's interest in the ML Newman iron ore operation, the directors said the higher and more stable prices, world-wide depressed conditions for steel industries have led to over possible revised terms for the shelving of plans for expansion of output beyond 40m. tonnes a year.

The report disclosed that \$27m. will be spent on modifying the bauxite treatment plant at Cove Alumina, to which CSR has a 51 per cent. stake. Cove Alumina, in turn has a 30 per cent. interest in the Cove alumina plant, for produce sandy alumina rather than heavy

aluminum, which is produced at present. Referring to CSR's interest in the ML Newman iron ore operation, the directors said the higher and more stable prices, world-wide depressed conditions for steel industries have led to over possible revised terms for the shelving of plans for expansion of output beyond 40m. tonnes a year.

MT Newman shipped 12.9m. tonnes of iron ore in the half year, 3.1m. tonnes less than the first half of last year and about 3.5m. tonnes less than originally scheduled. The major cause was 55 days of production lost through industrial action. Since the return to work, record output rates have been achieved, and considerable effort was being made to build and sustain improved industrial relations climate to the Pilbara.

P & O Australia oversubscribed

AUSTRALIAN investors have apparently fallen over themselves in the rush to apply for a slice of the public issue of 25 per cent. of P & O Australia, the local offshoot of Peninsular and Oriental Steam Navigation, writes James Forth from Sydney. Issue closed to-day heavily oversubscribed, only two days after the application lists opened. The public were offered 8.25m. shares at \$41.50 each to raise \$341.25m. The directors forecast an initial annual dividend of 16 cents a share. The allotment of shares will be made in the next few days and share certificates will then be despatched. Once this is completed, the shares will be quoted locally.

TELECOMMUNICATIONS COMPANY OF IRAN (SHERKAT MOKHABERATE IRAN) U.S. \$250,000,000 MEDIUM TERM CREDIT FACILITY THE IMPERIAL GOVERNMENT OF IRAN

NATIONAL PETROCHEMICAL COMPANY OF IRAN U.S. \$310,000,000 MEDIUM TERM CREDIT FACILITY THE IMPERIAL GOVERNMENT OF IRAN

All of these Bonds having been sold, this announcement appears as a matter of record only.

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16th December 1977

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Saudi phone deal: good news for Europe but not the U.K.

BY MAX WILKINSON AND JOHN LLOYD

IT IS HARD to over-estimate the significance of the Saudi Arabian telecommunications contract for Philips and Ericsson the two European companies in the winning consortium. The contract, the result of which was announced yesterday, is far the biggest ever offered for supply of new computer controlled exchange networks, and it will therefore give both companies a leading place in this hotly disputed world market. For Ericsson, the deal represents further dramatic confirmation of the superiority of its AXE stored program control (SPC) range of exchanges. In October, Ericsson won \$500m worth of business to supply AXE exchanges to Australia. Together the two contracts represent a major slice of the available business in the world's rather limited open market.

Ericsson of Sweden and Philips of Holland have won the Saudi Arabian telecommunications contract in the face of strong opposition from an Anglo-American consortium. The award means that the two European companies are now the world leaders in the manufacture and supply of computer-controlled telephone exchanges.

For Philips the order is by far the biggest step it has made outside Holland with its new PRX computer controlled system. Philips can point proudly to the 300,000 telephone lines in Holland which are controlled by PRX. It claims to have at least as good a computerised system as any other on the market and because it started earlier than its European competitors, in 1972, Philips says it has had time to iron out the initial problems. However, like Ericsson, Philips suffers the major disadvantage of having a very limited home market in a field where the governments of developed countries are very loath to allow foreigners to tender. The British companies which formed a consortium with Western Electric will be keenly disappointed by their failure to get the contract. Not only does it mean that they lose more than £300m of business, but they have also, in concert with Government and the Post Office, put much effort into securing the contract. It was the leading U.K. member of the consortium - Plessey - which first persuaded Western to lead the bid. This was all the more remarkable, because the persuasion was undertaken at a time - in early 1976 - when it seemed certain that Philips of Holland had already secured the contract. Yet Dr. Bill Willetts, head of Plessey's telecommunications division, persuaded Western

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WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES
Late rally leaves Dow 7.4 higher \$ volatile

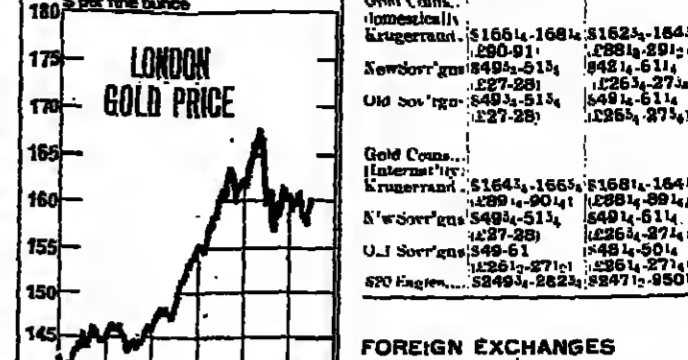
BY OUR WALL STREET CORRESPONDENT

After showing fresh dullness for most of the day's session, Wall Street stocks staged a late rally to finish with the Dow Jones Industrial Average up 7.4 points to 814.27. The Dow Jones Industrial Average ended a net 7.45 higher at 814.27, while the NYSE All Common Index closed 21 cents up at 328.60. After having reached its peak at 822.68, after having reached its peak at 814.27, while the NYSE All Common Index closed 21 cents up at 328.60. After having reached its peak at 814.27, while the NYSE All Common Index closed 21 cents up at 328.60.

OHAWA - A rise of 20 cents to \$4.75 66 higher third-quarter profits.
PARIS - Disturbed currency markets had an opinion poll showing that the governing majority does not seem to be increasing its potential vote for further elections yesterday.
BANKS were mixed, but Foods, Engineering and Steel lost ground. Pechiney was unchanged at Frs.78.60 despite a forecast of sharply higher profits.

OSLO - Industrials were slightly easier, but Bank hardened.
VIENNA - Quietly mixed with a slightly firmer bias. Perhmoseer improved 3 points to 268.
COPENHAGEN - Banks, Communications and Shippings were easier, while Industrials closed markedly lower, but Insurances were unchanged on balance.
STOCKHOLM - Market was in good form, with ASEA adding 8 Kr.98 and Ericsson 8 10 at Kr.214.

NEW YORK, Dec. 14



LONDON GOLD PRICE

WEDNESDAY'S ACTIVE STOCKS
Stocks traded up 117 down 71 net change 46.
Dow Jones Industrial Average up 7.45 to 814.27.

OTHER MARKETS
Canada higher
Canadian Stock Markets pushed further ahead yesterday in another good business. The Toronto Composite Index added 5.1 at 1043.8, while Oils and Gas advanced 11.9 to 4212.2.

FOREIGN EXCHANGES
New York 1.419-1.515 1.470-1.540
London 1.202-1.285 1.224-1.310
Paris 1.175-1.250 1.196-1.271

CURRENCY RATES

Table with columns for Currency, Rate, and Date. Includes entries for New York, London, Paris, Frankfurt, and Zurich.

Indices

Table showing various indices: NEW YORK - DOW JONES, S&P 500, NYSE All Common, etc. with columns for Dec 14, 13, 12, 11, 10, 9, 8, 7, 6, 5, 4, 3, 2, 1, 1977, and 1976.

N.Y.S.E. ALL COMMON

Table with columns for Dec 14, 13, 12, 11, 10, 9, 8, 7, 6, 5, 4, 3, 2, 1, 1977, and 1976. Lists various stock prices and changes.

EXCHANGE CROSS-RATES

Table showing cross-rates between major currencies: Frankfurt, New York, Paris, Brussels, London, Amsterdam, Zurich.

EURO-CURRENCY INTEREST RATES

Table showing interest rates for various Euro-currency deposits: 1 month, 3 months, 6 months, 1 year.

FORWARD RATES

Table showing forward rates for various currencies: New York, London, Paris, Frankfurt, Zurich.

GERMANY

Table showing German stock prices: Allianz, Commerzbank, Deutsche Bank, etc.

TOKYO

Table showing Japanese stock prices: Dai-ichi Kangyo Bank, Industrial Bank of Japan, etc.

AUSTRALIA

Table showing Australian stock prices: BHP, Broken Hill, etc.

OVERSEAS SHARE INFORMATION

Large table listing various international stocks: EW YORK, CANADA, BRUSSELS/THEMBOURG, AMSTERDAM, COPENHAGEN, VIENNA, STOCKHOLM, PARIS, SWITZERLAND, MILAN, OSLO, BRAZIL, JOHANNESBURG, INDUSTRIALS, SPAIN. Includes columns for Stock Name, Price, and Change.

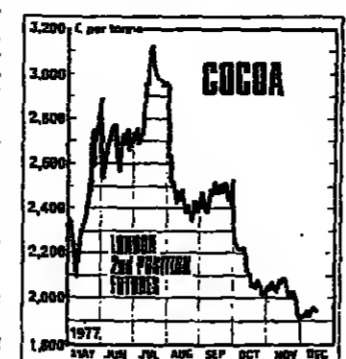
FARMING AND RAW MATERIALS

NZ wool 'floor' price cut

WELLINGTON, Dec. 14. THE New Zealand Wool Marketing Corporation has lowered its intervention levels to move more wool into the textile industry...

Move to avert new cocoa market supply 'squeeze'

IN A bid to avert a "squeeze" on the spot (December) position on the London cocoa futures market, the International Commodity Clearing House yesterday announced it was raising the minimum deposit rate required from £450 to £2,000 per lot of 10 tonnes...



Chana crop, with the expected announcement about the latest purchase figures still to materialise from the Ghana Cocoa Marketing Board. The latest known purchase figures are well behind last year's purchases at the same time...

Dearer coffee forecast

HICHER PRICES and continuing tight supplies are forecast for the coffee market next year by Mr. Samuel Israel, vice-president of Acil International. He told a commodities conference in Chicago...

CEREALS SEED SUPPLY Wet harvest still taking its toll

BY CHRISTOPHER PARKES. SUBSTANTIAL tonnages of British grain, set aside from the harvest for use as seed next year, have not survived storage... Mr. Bram van der Halve, in charge of RHM's seed supply, said that places like Scotland and Yorkshire were still in a state of some recovery...

Farm protest against lamb 'deal' bid

SIR HENRY PLUMER, president of the National Farmers Union, protested today against a deal for sheep and lamb exports should not be allowed special access to the French market without similar concessions for the British trade.

U.S. may export more wheat

THE U.S. may yet see a better year in wheat exports, Mr. Myron R. Laerson, senior vice-president of Continental Grain's North America grain division, said here. He told the Seventh International Commodity Conference...

Air India loses monopoly on carrying silver

BY OUR CORRESPONDENT. CALCUTTA, Dec. 14. AIR INDIA has lost its monopoly for air transport of India's silver exports because of alleged inefficiency. The State Trading Corporation has announced that exporters may now send consignments of silver by any international airlines.

Warning

On the London futures market yesterday the January price fell £32 to £1,737.5 a tonne despite a warning of possible shortages in some Central American crops. The reporting a sharp cut in his own country's crop...

'Fantastic' rise in food exports

BY OUR COMMODITIES STAFF. BRITISH food exporters have built up a booming trade with the rest of the EEC. In 1977, just before Britain joined the Common Market, exports of processed foodstuffs were worth £23m. In the first nine months of this year sales to the Nine were valued at £38m.

Table titled 'COMMODITY MARKET REPORTS AND PRICES'. It contains sections for 'BASE METALS' (Copper, Zinc, Lead) and 'COPPER' with various price listings for different grades and origins.

Table titled 'RUBBER'. It lists prices for different types of rubber (Sri Lanka, Malayan, Indonesian) and includes a section for 'Soyabean Meal' with various price listings.

Table titled 'PRICE CHANGES'. It shows price fluctuations for various commodities over different periods, including a section for 'U.S. Markets'.

C.C.S.I. Commodities Ltd. advertisement. A complete commodity futures service. Whether your interest lies in one or in a dozen of the commodities traded on the London futures market, C.C.S.I. information, advisory and brokerage service can be tailored to your needs.

Table titled 'COCOA'. It provides detailed price listings for cocoa beans and products from various origins, including West African and Indonesian cocoa.

Table titled 'SUGAR'. It lists prices for different grades of sugar (Cane, Beet) from various countries, along with a section for 'Wool Futures'.

FINANCIAL TIMES advertisement. A daily financial news service. Includes a table for 'DOW JONES' and 'REUTERS'.

BULL OR BEAR MARKET TREND advertisement. You can make money in commodities. This is one reason why investors in 31 different countries subscribe to our weekly commodity, metals and currencies service.

Table titled 'COFFEE'. It provides price listings for various grades of coffee beans and products.

Table titled 'Wool Futures'. It lists prices for different types of wool and related commodities.

Table titled 'VEGETABLE OILS'. It provides price listings for various types of vegetable oils.

BUSINESS OPPORTUNITIES advertisement. All advertisements scheduled to appear in today's Business Opportunities column will be published on TUESDAY, 20th DECEMBER. Includes a large stylized logo for 'CPK10150'.

FINANCIAL TIMES SURVEY

Thursday December 15 1977

Zambia

Zambia is facing as serious an economic crisis as any in its 13-year history. In part this stems from its role as leader of the front-line African States opposing Rhodesia. But the biggest factor is the slump in world copper prices; to-day there is virtually no government revenue coming in from copper.

as a result of even the direst economic difficulties. But no one looking at Zambia to-day can fail to take account of President Kaunda's message. Unless the Government soon takes the severest measures to pull the economy round, Zambia could face an economic and possibly also political crisis of grave proportions.

Zambia has had more than its fair share of political and economic storms in its short life as an independent state. Some of its own making, and some totally beyond its control. In the same interview, President Kaunda acknowledged: "We are partly to blame, but this is the curse of being born with a copper spoon in our mouth."

There can be no doubt that the country's economic problems stem from copper, and that the commodity's continuing stagnation on world markets is a no less significant factor. But what is equally significant just now is that, as the current crisis deepens, the weaknesses and failures of the Government's own policies are becoming more and more apparent.

Zambia, which has been truly in the front line of the Southern African conflict since the day of its independence, and which has within its borders some 75 different tribes, must be one of Africa's most difficult states to govern. President Kaunda, who brought the country to independence and who has not only managed to stay in power but also kept his people relatively happy, has long been recognised as a consummate

politician in the domestic context, while his role in Southern Africa has won him wide respect within the continent and much further afield.

Under Dr. Kaunda's leadership, Zambia early on imposed sanctions against Rhodesia, often it seemed without thanks from much of the rest of the world. Sanctions have cost the country dearly—some, in the current situation, would say much too dearly, though Dr. Kaunda has been prepared to talk to Mr. Smith himself, and to Mr. John Vorster, the South African Prime Minister, in an effort to achieve an equitable negotiated settlement in Rhodesia.

Negotiation

Dr. Kaunda is obviously deeply disappointed that none of the efforts at negotiation have succeeded. It was the apparent failure of the recent Anglo-American initiative which has prompted him, in the last few weeks, to suggest that there should be a direct hand-over of power to the Patriotic Front and to state, only last week, that he would no longer be involved with Anglo-American plans for Rhodesia. As for the current attempts at an "internal" settlement, Dr. Kaunda clearly believes they hold out little hope.

But just as the years have taken their toll to southern Africa, so they have to Zambia itself. Zambia's immediate problem is within its own borders, as suppliers are growing hesitant about extending further

from the slump in world copper prices. Any country with the problems facing Zambia now would find it difficult to adjust to its new and reduced circumstances, but for Zambia, which on independence had the highest per capita income of any black state, it is especially traumatic.

The problem is starkly expressed. Until the price plummeted in 1975, copper provided Zambia with over 90 per cent of its foreign exchange earnings. And the government relied on copper for more than 30 per cent of its annual revenue. To-day, there is virtually no revenue at all from copper. And the copper mines have become so expensive to run that they themselves consume two-thirds of the foreign exchange they earn.

The economic impact of these basic facts, as articles elsewhere in this Survey analyse in detail, is already severe. The fall in revenue has produced budget deficits for each of the past three years, which have only been met by massive borrowing from the Bank of Zambia. This has led to inflation, now estimated at an annual rate of over 20 per cent. The two state controlled copper companies are making a loss, with one of them already heavily in debt to the central bank. Because of the rising cost of the mines, and of essential imported goods, the country is also suffering from a critical shortage of foreign exchange.

So far behind is Zambia now in paying for its imports that over-seeing suppliers are growing hesitant about extending further

credit. Zambia is already living from hand to mouth; there are no reserves, and almost no money going into development.

A grim portent of what could be to come only last month, when Dunlop Zambia Ltd., the only manufacturer of car tyres in the country, closed down. It did not immediately lay off its several hundred workers. But as one observer remarked, Zambia is a large and sparsely populated country. "We feed, cure, and administer ourselves on tyres. What shall we do now?"

The immediate answer is that the government must pull the country's collective belt tighter than it has ever been pulled before. The recommendations of the IMF, whose representatives saw President Kaunda last month, will probably not be known unless and until Zambia accepts them. But the broad outlines of what must be done are already obvious. The operations of the copper companies must be pruned, probably with redundancies to staunch the losses. The costs of the civil service and party organisation must be severely cut back. Subsidies on everyday goods must go. Defence spending must be rationalised as must all non-productive expenditure, which could well for example mean introducing fees in schools and colleges.

At least some of these measures have already been suggested by the authorities themselves. In a major speech, in a major session of Parliament in October, Dr. Kaunda called for a review of the country's economy and last week a specially appointed select committee reported back to Parliament. Included in its recommendations were across-the-board cuts in government spending, including subsidies, and even, by implication, cuts in defence. With such stringency, which might or might not include devaluation of the kwacha (the arguments against devaluation are strong, in that Zambia has almost no exports at present which could benefit, while devaluation would only further increase the cost of imports), the IMF, it is supposed, would be the conduit for substantial foreign assistance and balance of payments support to enable Zambia to put its economic house in order and help wean the economy away from dependence on copper.

There are some grounds for doubt, if Zambia's past record is a guide. It is perhaps unfair to blame the Zambian Government for not foreseeing that when the price of copper fell in 1975, it would not recover. But it was obvious two years ago that Zambia faced economic problems, which were diagnosed by the IMF in November and again in March, 1976. Had the measures recommended then been taken (Zambia devalued in July last year but the accompanying measures were only half-heartedly applied) it is fair to say that the current crisis would now be less severe.

Many senior government and party officials admit that action should have been taken in 1975-76—just as they also admit and greater sacrifice. As Mr. Alex Chikwanda, the current Minister for Agriculture, development and rural extension, said in a hard hitting speech at the Lusaka Economic Club in October: "If rhetoric were really state controlled, and reality, Zambia should be a palimpsest, there is a very strong tradition of democracy and self-censorship."

But next year a general and presidential election is due. Zambia has been a one party

state since 1973, but against a background of already very considerable dissatisfaction (food and other shortages are themselves partly a reflection of the country's economic problems) it is by no means certain that the government and party will get the showing they would like from the polls. The key question, therefore, must be whether the government will feel politically able to take the necessary measures in time.

There are some grounds for doubt, if Zambia's past record is a guide. It is perhaps unfair to blame the Zambian Government for not foreseeing that when the price of copper fell in 1975, it would not recover. But it was obvious two years ago that Zambia faced economic problems, which were diagnosed by the IMF in November and again in March, 1976. Had the measures recommended then been taken (Zambia devalued in July last year but the accompanying measures were only half-heartedly applied) it is fair to say that the current crisis would now be less severe.

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BASIC STATISTICS	
Area:	390,586 sq. miles
Population:	5.18m. (1976)
GNP:	K1.07bn. (1976)
Per capita:	K330
Trade:	
Imports:	K722.07m. (1975)
Exports:	K321.05m. (1975)
Imports from U.K.:	£66.63bn. (1976)
Exports to U.K.:	£72.10bn. (1976)
Currency:	kwacha £=K1.41

criticism. From Dr. Kaunda downwards, Zambians can see and analyse their own problems, often with great frankness and clarity. It has been clear for years—and the evidence is in countless statements—that Zambia's best way out of copper was through farming. Yet agricultural production, despite a few small successes in the past year or so, still falls pitifully short of what it could be. It is not enough to party officials admit that action should have been taken in 1975-76—just as they also admit and greater sacrifice. As Mr. Alex Chikwanda, the current Minister for Agriculture, development and rural extension, said in a hard hitting speech at the Lusaka Economic Club in October: "If rhetoric were really state controlled, and reality, Zambia should be a palimpsest, there is a very strong tradition of democracy and self-censorship."

CONTINUED ON PAGE 7



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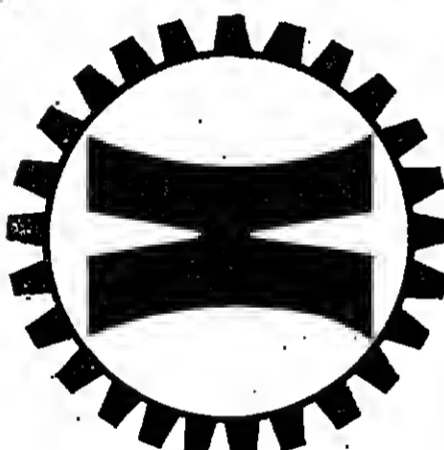
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London EC 2A 1NA

ZAMBIA II

Zambia has been a one party state for some years, but that does not mean elections are without interest. Following a poor showing at local polls in August, there is already speculation that next year's general and presidential elections could yield surprises.

Politics



President Kenneth Kaunda confers with Mr. James Callaghan, the British Prime Minister, at last June's Commonwealth Conference in London. There, Dr. Kaunda led the debate on Southern Africa, calling for tougher international action not only towards Rhodesia itself but on South Africa as well as towards multinational corporations—in particular oil companies—dealing with South Africa. Prophetically, perhaps, Dr. Kaunda told his Commonwealth colleagues on June 9 that since the world was "united in declarations but not in action" on the Southern African issue "we should not place too much hope in the current Anglo-American initiative" on Rhodesia.

THE CRISIS in Zambia's economy takes precedence over all else just now. But as the introduction to this survey points out, the ramifications of the action which needs to be taken to put the economy right obviously extend into the political field. Zambia's last election was held in 1973 and another is due next year, and though the timing depends on President Kaunda, he himself and the country's members of parliament are all constitutionally due for re-election by December 1978.

Since Zambia is a one-party State, it might be tempting for outsiders to ask whether elections matter very much. The answer must be that they do, for although there is very little likelihood that President Kaunda would not be re-elected, voters can oust sitting MPs, even though each of the three candidates standing in any one constituency must have the approval of the party's central committee. But beyond that, the turn-out at an election inevitably reflects the party's and the Government's standing in the country at large—and that is currently a problem that considerably worries those in authority.

Many Zambians see a pointer to things to come in the results of the local party elections, held last August and September. The electoral system of Unip—the United National Independence Party—is cumbersome and officials admit that its organisation, especially at grass roots levels, leaves much to be desired. But even Freedom House, the party headquarters, was taken aback at the poor showing at the elections, which were to fill party posts at the lowest—village and section—and intermediate or branch levels.

Full results have not yet been published, but those that are available show that at least 30 per cent of the posts overall were unfilled, because Unip failed to find candidates willing to stand. There were apparently

considerable regional variations—in the Eastern province for example, over 90 per cent of the posts were filled and in Kabwe 70 per cent, while in others—in two branches in Chitanda, for example, where only six of a total of 48 posts were filled—the percentage was much lower. Equally disconcerting for the party, however, was that in very few areas do the seats seem to have been contested; sheets of returns being analysed in Freedom House last month showed almost all candidates being "elected" unopposed.

Party officials, while admitting poor grass roots organisation, point to primarily economic factors—such as the lack of transport or fuel—to explain the poor response. They argue that the local party elections are an imperfect guide to what might happen in a general election: candidates, they maintain, did not come forward for the lower posts since they were waiting to stand for more senior posts in the next round of elections.

But the record of Zambian elections suggests that the low turnout is part of a continuing trend. An article in the Government-owned Daily Mail, written last August before the results of the elections were known, pointed out that "in the first flush of independence" in 1964, 94 per cent of the electorate voted. This, despite a lowering of the voting age from 21 to 18, dropped to 82 per cent in national elections in 1968 and to only 39 per cent in the first general and presidential elections held under the one party system in 1973.

Commenting on the August results, the Zambian Sunday Times said: "There could be two reasons for the present apathy towards party elections. One is the old one about the one-party system undermining people's enthusiasm. They think it's a waste of time because their vote can't possibly make any difference anyway. Another reason could be that a bunch of fifth columnists has succeeded in getting some people thoroughly disillusioned with the party and what it stands for."

Against this background, there is obvious worry that the economic crisis will add to popular dissatisfaction. The poor results in August might have been partly due to shortage of basic food and other commodities in the months before the elections. President Kaunda made it clear that the persistent shortages were one reason why he sacked Prime Minister Elijah Mudenda in July—and since then the Government has made a determined and largely successful effort to ensure that the most basic commodities are available. However, with much greater austerity in sight the Government is unlikely, as it recognises, to increase its popularity.

Obviously such thoughts have been behind suggestions that next year's elections should be called off. In the article quoted above, for example, the Mail's "special political correspondent" argued that Zambia was

in a state of war, both over Rhodesia and the economy and that the elections should therefore be postponed. Serious people were worried that an election would not only arouse passions to a degree which would give the enemy an opportunity to accelerate activities to the detriment of the entire country; but would also, for a long time before and after the elections, divert the energies of the country from meeting the real challenges which face us."

Though Government and party officials and President Kaunda himself maintained last month that elections would be held within the due time, fuel to the argument for postponement may have been provided by the very recent report of the Parliamentary Committee, headed by the Finance Minister Mr. John Manakatewe, on the state of the economy. The report contains some pretty explicit suggestions that the party will have to be reformed, if only to reduce the costs and inefficiency of the duplication of party and Government posts throughout the central and local administration. If such reforms were to be undertaken, the Government might feel it wise to postpone the elections until after they had been fully considered and implemented.

But as events of the past few months show, there is a great deal of fluidity in the Zambian political scene at present. President Kaunda's propensity for reshuffling senior Ministers and officials is well known and this year has been no exception. In April Dr. Kaunda dropped two Cabinet Ministers, one of them for "anti-party activities", the army chief Gen. Chinkulu was moved sideways to become Minister of Mines; in May five of the nine provincial leaders were changed, while in July, following a presidential warning that "heads will roll" if the shortages did not stop, Elijah Mudenda was replaced as Prime Minister by former Attorney-general Mainza Chona.

But perhaps the biggest shock came in August, when the President dismissed his long-serving Minister of Home Affairs, Aaron Milner, apparently for violating the leadership code which places strict limits on the income of government and party officials. Aaron Milner's dismissal probably surprised observers more than any other, if only because, it was widely believed, the President was able to rely on him to a way that he could rely on few others. Not only was Milner a personal friend of Dr. Kaunda but as a "coloured" born in Rhodesia, Milner did not have a particular political constituency within Zambia itself.

Now, however, Milner, who as Home Affairs Minister was responsible for investigations into corruption, is under investigation himself. In a recent interview in Lusaka, Dr. Kaunda acknowledged that Mr. Milner was his friend, but he said, "no personal relationships can ever deter me, for as long as I have my faculties... from taking action against anyone." The Government would, if there was a case against Milner, "hold a public enquiry soon," the former Minister would "have his lawyers, the government will have its own lawyers and evidence will be given by the State that this is what happened, and he'll have to defend himself," the President said.

Charges of corruption have been laid against several senior Zambians recently, including an army colonel, a former permanent secretary and a former member of Unip's central committee. Zambians admit that corruption exists—although it is certainly not on the scale known in some countries. But there are, perhaps inevitably, questions as to the evenhandedness of the authorities in determining where it lies. There have been other recent indications of some political

malaise. A few more senior 2 including former Minister Vernon Mwaanga their passports withdrawn—had been criticised in ment abroad. There are problems too, among students, who staged their most serious demonstration to date—reduction in allowances February and March 7 of the country's—two have shown considerable lessness over the past

It is, however, during a particular pattern events, though of economic problems, a thing to do with. The suggestion has made that President in some way been of crisis both to meet the needs and the elect earlier Government, took place against a of what the Zambian "dark corner" meant it was suggested, prominent mco: i tribally based: p alliances.

Such affairs are Zambian political. Dr. Kaunda's cont occupations in rural ethnically and social state—Zambia has four main languages social cleavages str the town and coun- ration and the gen which "characterised African States"—I win and try to in loyalty of men who port is often tribally suggestion (this time past) was that over disaffection, wa dangerously fanned i to the Government.

That suggestion, partially quashed by last September, Kapwepwe, the President and child of President Kaunda, was widely believed, a support among t speaking people; t in 1971 to form be which was then 1 Kapwepwe and one followers arrested, return it has, by Dr. Kaunda 40 years — has any political exi speculation centric role he and his foll to play in the elec

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Mr. Kapwepwe announcing his return to Zambia, said he and his supporters rejoined "for the 5 ple unit and for now obtaining in 1 Perhaps the key of Zambia would be whether Mr. Ka make a real comb through the polls of other political, challenged Unip, rejoined it only political oblivion.



Handwritten signature

ZAMBIA III

The fall in copper prices since their peak of 1974 has left Zambia with formidable economic problems. It has led to a critical shortage of foreign exchange and massive government borrowing while inflation is running at over 20 per cent.

The economy

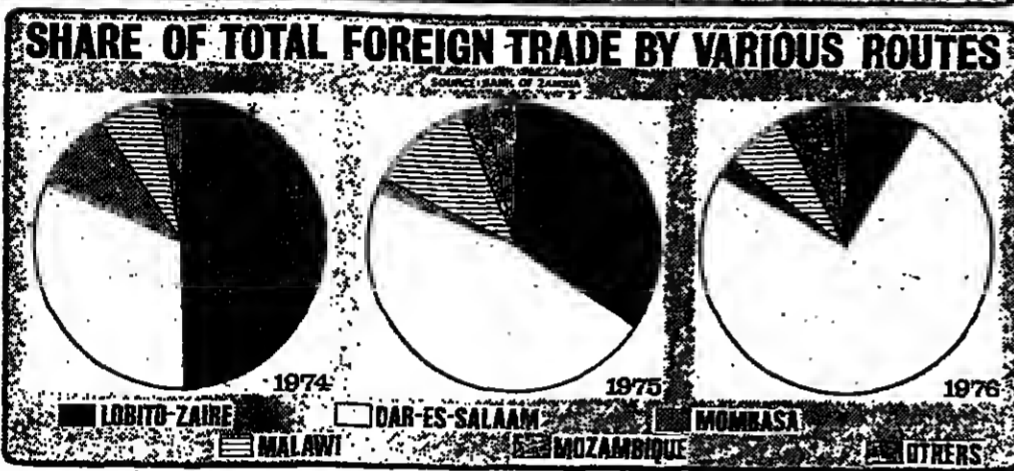
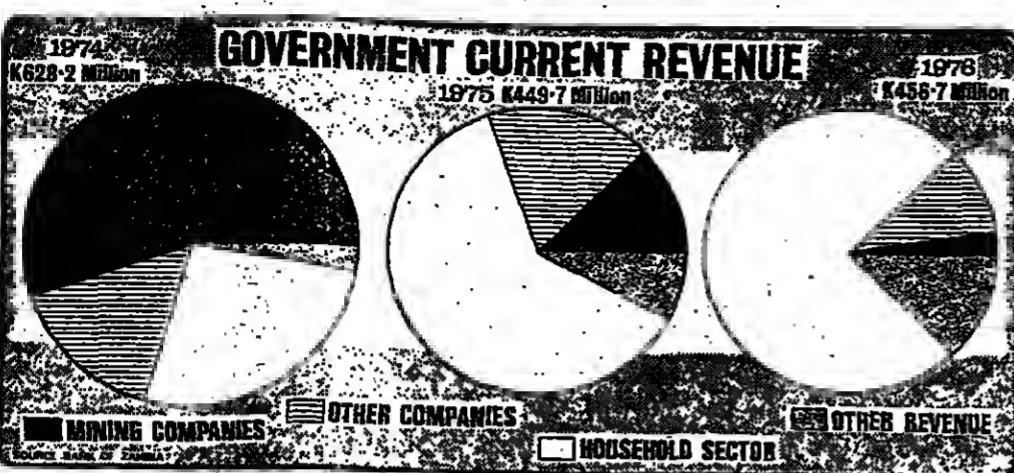
BY SAY I can't. Say I'll try. reads the motto engraved on the plaque in the corner of the office of the man in the hot seat today: Finance Minister John Mwanakatwe.

But a finance minister says Zambia's formidable economic problems might be said to say "I can't." The slump has led to a critical foreign exchange shortage and massive government borrowing. Unpaid accumulated bills exceed £200m. Inflation is running at over 20 per cent and Zambia's front-line in the Southern African continent continues to be a heavy one.

More starkly illustrating the country's economic problems is the fall in government revenue. In the past year has provided over 90 per cent of foreign exchange, but 50 per cent of government revenue. But from the 1974 figure of £242.5m, 134 per cent of the total, it fell to £25.5m (2.5 per cent) last year. It will contribute no more in 1977, and mining is unlikely to improve for at least two or three years. Both Roan Consolidated and Nchanga Consolidated mines are in financial straits, with their borrowing from the Bank of Zambia at £46.9m, respectively. This is only part of the picture. The foreign exchange cost of copper production costs are as high as 35 per cent—leaving a mere 35 per cent of the foreign currency for the rest of the country and its needs.

ever, the critical state of the economy is due to more than the fall in copper prices since 1974. Earlier this year a parliamentary select committee chaired by Mr. Mwanakatwe put the direct cost of the sanctions against Zambia at £330m.

Encouragingly, the government has poor management of the parastatal (government-controlled) companies dominate the economy, a policy of agricultural and the discouraging towards private local investment. In the past, two decisions are questioned by critics. The first is the decision of the Zambia Industrial and Commercial Corporation (ZINCO) to announce August 1978, six years ahead of time. As part of the take-over of the copper industry in 1980, the government raised the Anglo-American Corporation and Roan Selection Trust. The decision to issue the bonds at par (when market value was 48 per cent) cost £108.4m in exchange, £38m from the sale of £63.4m raised in Eurodollar loans. It seems that a decision in the Anglo-RST management contract, stating that it was to be a bank of Zambia



Financial Times that the IMF, in making a number of "suggestions," had analysed the situation as being "very, very critical indeed"—as Zambia had itself analysed it. Unless drastic measures were taken, said the President, Zambia faced "collapse as a nation." The warning signs were apparent when on October 11 Dr. Kaunda called an emergency session of the National Assembly to deliver a major economic address. He called for "a new economic policy which shall progressively run the country free of copper."

The main points were: "Increased agricultural programme, with a target of 30 per cent of cash production for export." "A 'drastic' reduction of staff in 'overemployed government ministries and other public services' accompanied by a rural resettlement programme." "Pruning of the political, economic and social superstructures—taken to be a reference to the top-heavy administration in which party posts appear to duplicate government ministries, as well as a re-examination of the often inefficient parastatals."

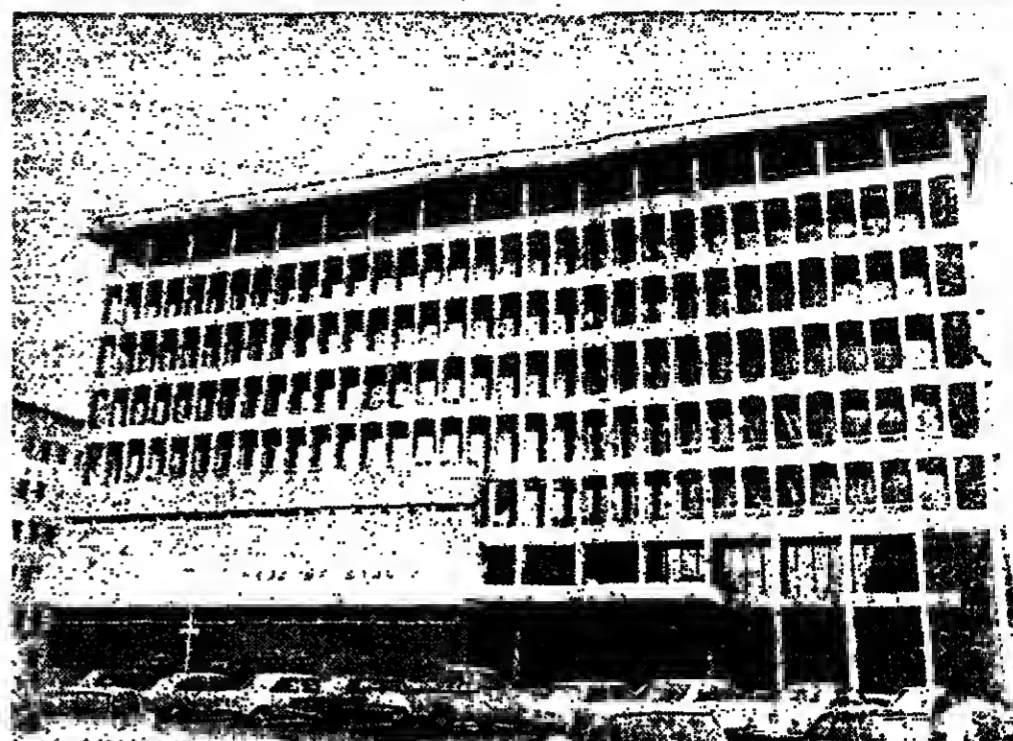
Discussions: What is missing, however, is public discussion of defence spending, an area in which costs—with a high foreign exchange content—have soared. There are no published figures and the estimates are not debated in Parliament. It is known though that defence costs come under the item "constitutional and

should contribute directly to costs—education and health services have been free since independence in 1964. But it is not thought that there is much scope for import cuts. According to the Bank of Zambia's latest report, "any further reduction of imports will impair the overall growth of the economy seriously and lead to structural distortions."

Part of the reason for the increased constitutional and statutory vote, say informed sources, is the increased commitment to public debt. Suggestions that Zambia might default on her external debts are flatly discounted. In 1975 interest payments and loan repayments on public external debt was 8.1 per cent of earnings from the export of goods and services in that year. It rose slightly in 1976 and the figure for 1977 is between 9 and 10 per cent. Although this is a steep increase compared to 1974's 4 per cent (when copper receipts were high) it is regarded as a tolerable level.

Costs: On the face of it, then, Zambia's short and longer term economic programme seems clear: immediate and substantial cuts in government spending, pruning of copper production costs, greater efficiency in the civil service and parastatals, while longer term measures would be based on a massive land resettlement programme, export of increased agricultural production and encouragement of private investment.

In return for this package Zambia could expect substantial IMF and World Bank assistance, and could, as one official put it, look for bilateral aid on the strength of the IMF " imprimatur " on Zambia's handling of her economy. But the list of problems is formidable. Looming large is next year's elections. The proposals would mean a rise in the cost of living, yet inflation is already high—over 20 per cent. Redundancies would come on top of already severe unemployment. The committee itself raised questions about the efficiency of the parastatal companies, which are partly to blame for the sporadic short-



The Bank of Zambia head office in Lusaka.

tages of basic commodities, and philosophy. Cuts in the Government superstructure may arouse antagonism between "middle management"—itself responsible for some of the problems—is sufficient to carry out the reforms. Rural "redeployment" requires a costly infrastructure if it is to be effective, and agricultural expertise is scarce. Reduction of mining costs should include redundancies—perhaps as high as 5,000—but it will be a brave man who inflicts that on the powerful Copperbelt. Some measures involve other delicate political issues: re-introduction of school and medical fees would not only be unpopular, but touch at the heart of President Kaunda's socialist-based "humanism" favourable terms offered under the 1977 Industrial Development Act. Yet perhaps it augurs well that nearly all these issues have been raised in the *Zambian Press*, part of a mood of rigorous reappraisal. And for those who would pull back from the measures required, there are clear signs of what can happen. Last month's temporary closure by Dunlop Zambia of its Ndola factory due to a shortage of raw materials could be repeated around the country. It is a prospect which will concentrate the mind of every Zambian politician, not least Finance Minister John Mwanakatwe as he prepares the January 1978 budget.

Michael Holman

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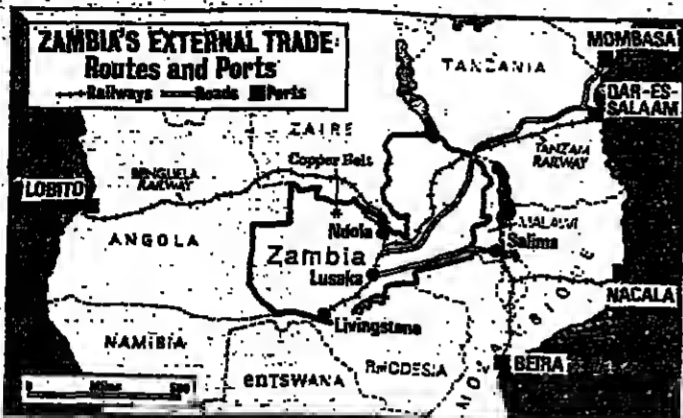
INDECO MEANS BUSINESS

ZAMBIA V

For land-locked Zambia, the problems of access to sea routes have been intensified by the situation in neighbouring Angola and Rhodesia. Fortunately, the Tanzanian-Zambia Railway has provided a valuable alternative outlet, although some doubts are being voiced about the adequacy of port handling facilities.

Transport links

WEL MWALE, Zambia's Minister of Public Works and chairman of the Transport Planning Committee, has several tales to tell of the complex transport problems faced by his land-locked country. But one in particular illustrates Zambia's difficulties in the face of extraordinary circumstances and more the share of ill luck.



In addition, cargo agents talk of a shortage of spare parts, particularly for the braking system of the trucks and trailers, half of which are over five years old.

Meanwhile feasibility studies are taking place on projects which could add to Zambia's options and one of the studies raises the prospects of Zambia once again using Lobito. Zambian and Angolan authorities are investigating a road-rail connection which would avoid the Zaire and link the existing road line since July last year, and systems by building a 33-mile road from Mwinilunga in North-West Zambia (250 miles from the Copperbelt). This route would then be able to service the Benguela Railway. Also under consideration is a direct rail line from Lusaka to Tete, carrying Zambia's fuel needs until the Ndola pipeline and refinery was built.

Tazara was in a position to carry much of the re-ported traffic. Construction of the 1,169m line financed by China and built with the assistance of Chinese engineers and workers, began in 1970. The line became fully operational in the year following the official handover in July 1976.

The result has been dramatic. In 1974, apart from the 45 per cent of Zambia's total foreign trade which went through Lobito, the Kenyan port of Mombasa carried 30 per cent, Malawi 7 per cent, and Dar es Salaam (using the road link) just under a third. But by the end of 1976 the road and rail service carried three-quarters of Zambia's foreign trade.

The drop in imports has meant that the efficiency of the line has not been fully put to the test. Until 1976 Zambia's imports had exceeded exports. But that year import cuts of 20 per cent reduced tonnage to 761,000 tonnes while exports were 902,000 tonnes. Figures for the operation recorded that Tazara had moved 1,220,000 tonnes and carried 820,000 passengers. Target for the year ending 30 July 1978 is 1.6m tonnes and 1m passengers.

Attention Not aspects of the transport system within the country increasingly demand attention. Urban public transport is nearly non-existent. While cars increased by nearly 16,000 between 1970 and 1973, the number of buses rose from 670 to 780—and many of these suffer frequent breakdowns. At the same time the rate of efficiency of vehicles in parastatal companies—Zambia Road Transport Services, Bulk Carriers Ltd. and Contract Haulage declined. And the agricultural sector, of which so much is expected by Zambia's planners, particularly needs a more effective transport system than the National Agricultural Marketing Board has so far been able to provide.

and politics have been Zambia's supply lines Rhodesia's unilateral declaration of independence in 1970, then, between 80 per cent of external was through or with it, and nearly all Zambian copper and two-thirds of its exports were carried by the Railways.

Anniversary The report of the first anniversary of the first operation recorded that Tazara had moved 1,220,000 tonnes and carried 820,000 passengers. Target for the year ending 30 July 1978 is 1.6m tonnes and 1m passengers.

After the experiences of the past, Zambia is reluctant to be overly dependent on one port. The Kenyan outlet of Mombasa now handles a mere 2 per cent of total trade (1974-9 per cent), but October 1977 saw the opening of a new coastal route. This is the road from Katete in Eastern Zambia to Tete in Mozambique, and then by rail to Beira via the coal-mining centre of Moatise. Tonnage carried in 1976 was small (93,000 tonnes) because the road which is now being tarred, is often impassable in the rainy season.

The second Mozambique port is Nacala, reached by road-rail route via Malawi, but tonnage declined from 13 per cent of total in 1976 to 7 per cent, partly as a result of a spare parts shortage which affected the road leg. To the south the all-weather road between Botswana and Zambia can carry up to 400 tonnes daily, but it is currently carrying little traffic.

measure of the Rhodesian January 1973 left dependent on Lobito half her trade. But Dar es Salaam will be able to cope. Authorities there point to new cranes and better berthing facilities, and to a new depot for the Zambian copper industry which should be completed by August 1978.

However, not all Zambian shippers are confident that Dar es Salaam will be able to cope. Authorities there point to new cranes and better berthing facilities, and to a new depot for the Zambian copper industry which should be completed by August 1978.

Existing stock is around 1,600 and a further 2,000 are required. But other factors are involved. Turn-round of wagons is taking at least a month, instead of the 15 days on which the Chinese had calculated the line's capacity.

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POOR

It is obviously part of the Government-owned Daily Mail has taken up the debate from a different angle, printing a series of letters questioning the Government's recent and, many believe, half-hearted attempt to encourage private investment. Senior Zambians admit there is a credibility gap here. The country's leaders still tend to condemn capitalism as "exploitation" and "colonialism, neo-colonialism, and fascism."

There has also been public debate about the role and effectiveness of UNIP—the United National Independence Party—which has been the country's sole legal party since 1973. Mr. Munkombwe, quoted above, pronounced that the "party is dying" because of "socialist economic concepts." The party is theoretically the vehicle for national unity, for allowing all Zambians to participate in the affairs of the nation, but many Zambians to-day say it is moribund. They claim that party elections in August and September, held to fill party posts at grass roots and intermediate levels, reinforce this view. Full election results have not yet been published. But it appears that in some areas, no more than 20 per cent of posts were filled, indicating very considerable grass roots apathy. Party returns seem to show that candidates were "elected" unopposed.

Questions Inevitably, however, some of the questions now arising about Zambia's ability to deal with its present crisis centre on the way in which Dr. Kaunda governs Zambia. Few people doubt the President's sincerity in trying to establish a genuinely democratic system, albeit within the confines of a one party state. There is a degree of openness in Zambian society which sets it apart from the majority of African countries; Zambians do not look over their shoulders before criticising the government; there are and never have been large numbers of political detainees (former Vice-President Simon Kapwepwe, and some 100 of his supporters, detained in 1972, and released a year later, are now back in the party fold). Yet criticisms of Dr. Kaunda's style of government remain. A central complaint is that the system he heads leads to inefficiency and indecisiveness through

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Confidence

In good years, copper gave the money and the confidence to embark on a socialist government of a major acquisition of a shareholding in the and in many other industries commercial concerns in the early 1970s; however, it is being that state controlled are frequently inefficient that they cannot both be socially responsible and deliver the profit to the people and a profit reform in this dual structure. In the field of foreign affairs, criticism is more muted, perhaps because many Zambians believe that the country had little option in physical or moral terms but to impose sanctions against

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| Coal Mining | Fertilisers | Car Assembly | Copper Fabricating |
| Brewing | Real Estate | Travel | Importing Emeralds |

The success of the ZIMCO group is the direct result of the sound business reputation the group has maintained from the outset. The group is expanding and there is tremendous scope for partnership with foreign and local investors to develop new projects, particularly with a view to the manufacture in Zambia of products which are now being imported.

The main ZIMCO subsidiary groups are:-

- Roan Consolidated Mines (RCM), Nchanga Consolidated Copper Mines (NCCM), Indeco, Mindeco, State Finance and Development Corporation (FINDECO), National Transport Corporation of Zambia (NTC), National Hotels Corporation (NHC), Zambia National Energy Corporation (ZNEC), Metal Marketing Corporation of Zambia (MEMACO), National Import and Export Corporation (NIEC).

ZAMBIA INDUSTRIAL AND MINING CORPORATION LIMITED
P.O. BOX 90 LUSAKA ZAMBIA

Zambia's fertile and unutilised land must be made to produce more. Unutilised areas must be brought into use, bush must be cleared to make room for crops. This is the only way to promote our agrarian revolution—to start our "food explosion". Mazembe and Caterpillar have been giving the matter some very serious thought, and their solution is obvious. We must grow more. And the means to do this? Cat Power. Caterpillar research, which has always been directed at excellence, has brought about the production of Special Application Track-Type Tractors, ranging in drawbar horsepower from 68 to 125. All designed for agricultural work. Other models, which with the many ROME and FLECO attachments available, are ideal for land clearing, preparation and all the many requirements of correct agricultural development, make Mazembe and Caterpillar the combination that must meet all your requirements for equipment purchase. Our land is our heritage. Let us help you to put it to good use!

Want to hear more?
Contact your
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Tel: 2592 KWTW
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STOCK EXCHANGE REPORT
Gilts up and equities above worst on trade figures
Index down 2.9 at 474.0 after 467.2—Business thin again

Account Dealing Dates
First Declared Last Account Dealing Dates
Nov. 28 Dec. 8 Dec. 9 Dec. 12 Dec. 29 Dec. 30 Jan. 11 Jan. 3 Jan. 12 Jan. 13 Jan. 24

placed by net gains to 1 1/2 in the after-hours business. Corporations...
Home Banks continued their gentle downward drift. Barclays...
Insurances displayed no set trend following a small trade...

Welch a similar amount down at 550p.
HTV received 3 more to 106p among quietly dull Television...
Stores ease
Store leaders were included in the late rally and closed well...

The cautious statement on current trading continued to unsettle...
disappointed by the dividend forecast which accompanied the proposed rights issue...
noticably reduced after the official close and Land Securities...

encouraged by the sharp recovery in the bullion price, which was finally \$2.50 higher at \$100.125...
Golds move ahead.
Encouraged by the sharp recovery in the bullion price, which was finally \$2.50 higher at \$100.125...

BP up on U.S. advice
A drab day in Oils was enlivened by a late forward move in British Petroleum...
Glaxo lower
The better-than-expected November trade returns caused a rally in the miscellaneous industrial majors yesterday...



FINANCIAL TIMES STOCK INDICES
Table with columns for various indices: Government Sec., Fixed Interest, Industrial Ordinary, Gold Mines, Ord. Div. Yield, Earnings '77('76), P/B Ratio (net ('71), Dealings marked, Equity turnover '77, and Equity begins total.

HIGHS AND LOWS
Table with columns for High and Low prices for various stock categories: Govt. Sec., Fixed Int., Ind. Ord., and Gold Mines.

OPTIONS TRADED
Table with columns: DEALING DATES (First, Last, Declared, Settlements) and Throgmorton Capital...

NEW HIGHS AND LOWS FOR 1977
Table listing various financial products and their performance metrics for 1977.

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RECENT ISSUES

EQUITIES
Table listing recent issues of equities with columns for Issue Price, Amount, and Stock.

FIXED INTEREST STOCKS

Table listing fixed interest stocks with columns for Issue Price, Amount, and Stock.

"RIGHTS" OFFERS

Table listing rights offers with columns for Issue Price, Amount, and Stock.

ACTIVE STOCKS

Table listing active stocks with columns for Stock, Denomination, Closing Price, Change, and 1977 High/Low.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS
Table with columns: GROUPS & SUB-SECTIONS, Index No., Days' Change, % Change, Gross Yield, and Index No.

FIXED INTEREST PRICE INDICES

Table with columns: British Government, Index No., Days' Change, % Change, and Index No.

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Table of authorised unit trusts including categories like British Life Office Ltd, British Equities Ltd, and various international and domestic funds.

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Table of offshore and overseas funds including categories like Fidelity Fund, British Overseas, and various international investment funds.

CORAL INDEX: Close 470.475

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Table of market leaders and laggards in various sectors like Financial Group, Entertainment and Catering, and others.

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Large table of insurance, property, and bond offerings from various companies like Abbey Life Assurance, Credit & Commerce Insurance, and others.

NOTES section providing additional information and disclaimers regarding the insurance and investment products.



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Large table of Industrial stocks (Miscellaneous).

Handwritten signature 'JPKiossa' in a box.

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NEW JAPAN SECURITIES Tokyo, Japan London Branch Frankfurt Office Tel. 605 6781-8 Tel. 590929

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